

AUGUST, 1958

# *Credit and* **FINANCIAL MANAGEMENT**

**They Prefer to Send  
Monthly Statements  
As a Collection Tool**

**Credit Rigid as Bride's  
Biscuits or Elastic as  
Slingshot? It's Neither**

**Negotiable Instrument  
And Security Devices:  
Advantages vs. Pitfalls**

**New Approach Speeds  
Direct Mailing; Shaves  
Costs by One-Fourth**



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OF MICHIGAN

JUL 24 1958

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VOLUME 63 NUMBER 3

**Two Pounds of Cure (See pages 5, 12)**

# Just Issued

## "Account Review" Form

This new Form has been re-designed by the National Publications Sales Committee. It is now applicable for both new accounts and small accounts already established.

It is simplified in design and carries the seal and approval of the National Association of Credit Management.

Included in this new Form is a section for "Description of Insurance Protection Carried."

A Financial Statement Form for every type of business is offered by the National Association of Credit Management

*Write for Free Sample Book  
showing the new and revised Statement  
Forms available*

PUBLICATIONS DEPARTMENT  
National Association of Credit Management  
229 Fourth Avenue New York 3, N. Y.

### ACCOUNT REVIEW

**To:** \_\_\_\_\_

The following information is submitted for your consideration as a basis for the extension of Credit to us:

The name of our business is \_\_\_\_\_

We operate \_\_\_\_\_ business. We have been established \_\_\_\_\_ years.

Ours is a: Corporation ☐ Co-Partnership ☐ Limited Partnership ☐ Individual Business ☐

We are incorporated under the state laws of \_\_\_\_\_

The principal owners or stockholders and officers are, etc., etc.

NAME	ADDRESS	CITY

We bank at \_\_\_\_\_

Account carried under \_\_\_\_\_

Our tax returns have been cleared with the taxing authorities through 19 \_\_\_\_\_

We expect our monthly credit requirements from you to be about \$ \_\_\_\_\_

#### DESCRIPTION OF INSURANCE PROTECTION CARRIED

Kind	Amount	Kind	Amount
Fire Insurance on:		Employee Fidelity Bonds	
Merchandise		Burglary Insurance	
Buildings		Forgery	
Furniture & Fixtures		Life Insurance for benefit	
Business Interruption		of business	
Liability Insurance on:		Accounts Receivable	
Premises		Miscellaneous:	
Autos			
Products			
Contractual			

#### YOU MAY REFER TO OUR PRINCIPAL SOURCES OF SUPPLY LISTED BELOW

Name	Address	City	State

Form No. 3C (This Form Approved)

Date \_\_\_\_\_, 19 \_\_\_\_\_

The following figures set forth present our financial standing and business operation upon which you may rely for the purpose of establishing our credit:

#### CURRENT ASSETS:

Cash on hand and in banks	\$ _____
Due from customers	_____
Cost value of merchandise on hand	_____
Other current assets	_____

#### CURRENT LIABILITIES:

Bank loans payable within a year	_____
Tax obligations due	_____
Due to merchandise creditors	_____
Other debts due within a year	_____

#### FIXED ASSETS:

Business equipment	_____
Land used in business	_____
Buildings used in business	_____
Other fixed assets	_____

#### INDEBTEDNESS NOT DUE WITHIN A YEAR:

Chattel Mortgages due on merchandise	_____
Chattel mortgages due on other assets	_____
Real Estate Mortgages	_____
Other long term debt	_____

#### NET WORTH:

Monthly Sales Volume	_____
% of Sales made on credit	_____
% of Sales at retail	_____
% of Sales at wholesale	_____
% of Sales on time-payment plan	_____
Peak season of year	_____
Date of last physical inventory	_____
Profit shown latest U. S. Income Tax Return	_____

Our firm is financially able to meet any commitments we have made and we expect to pay your invoices according to your terms.

Name of Firm or Corporation \_\_\_\_\_

Street \_\_\_\_\_ City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

Date \_\_\_\_\_ Signed by \_\_\_\_\_ Title \_\_\_\_\_

## In the News

ALLEN J. SUTHERLAND, senior vice president, Security-First National Bank, San Diego, and past president of NACM, has received the University of Nebraska distinguished service award.

WILLIAM M. EDENS, second vice president and head of the credit department of Continental Illinois National Bank and Trust Company, Chicago, has been elected president of the Union League Club of Chicago. Mr. Edens is a director of Robert Morris Associates and past president of its Chicago Chapter. He is also past president of the Chicago Association of Credit Men and has headed the Chicago Bank Auditors Conference and the Industrial Relations Association of Chicago.

ED N. SOLOMON, senior vice president, First National Bank, Omaha, has been elected vice president of the Downtown Kiwanis Club of Omaha. Mr. Solomon was president of the Omaha Association of Credit Men 1952-1953.

JOHN HILL, credit manager, Ladd Lumber & Supply Co., Pueblo, Colo., has been appointed by Colorado's Governor Steve McNichols to the board of county commissioners and will serve as building and finance commissioner.

WILLIAM V. PRICE, vice president and treasurer, Cambria Equipment Company, Johnstown, Pa., has been elected president of the board of the Greater Johnstown Chamber of Commerce.

ARTHUR J. HUNT, assistant cashier, Houston National Bank, has been elected first vice president of the Rotary Club of Spring Branch, Texas.

HARRY S. GASSER, assistant credit manager of the Palmer House, has been named president of the Hotel Credit Men's Association of Chicago.

S. CLARK BEISE, president, Bank of America, has been elected president of the San Francisco Clearing House Association.

CURTIS W. CORDING, Union National Bank of Pittsburgh, has been elected treasurer of the Automobile Club of Pittsburgh.



**The  
buyer  
owns it  
now**

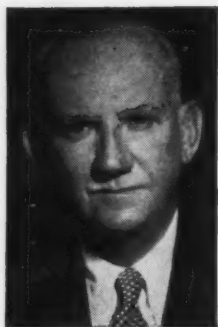
***When you ship, title passes,  
and your credit risk begins***

At the time of shipping, you create an account receivable . . . and unless you have credit insurance . . . your insurance protection ceases. You lose control of the asset because title of the merchandise has passed. It is sound to insure your product while you own it . . . it is equally sound to insure it when your customer owns it . . . and owes *you* for it. Aggressive executives, through American Credit Insurance, continue protection of their working capital and profits invested in receivables. It is an important tool for constructive credit management. Our booklet on the many ways credit insurance contributes to financial security and sales progress should interest *you*. Write AMERICAN CREDIT INDEMNITY CO. of New York, Dept. 47, 300 St. Paul Place, Baltimore 2, Maryland.

***Protect your capital and profit  
invested in accounts receivable  
with American  
Credit Insurance***

**ANY ACCOUNT . . . NO MATTER HOW GOOD . . . IS BETTER WITH ACI**





## EDITORIAL

*Henry H. Heumann*  
Executive Vice-President

### *The Foreign Trade Dilemma*

**W**ORLD War One saw the United States shift from a debtor to a creditor country in international trade. We found ourselves faced with new responsibilities for which we were not adequately prepared and with new problems for which we have not as yet found the solution. In addition we were as nearly a self-contained nation as is possible. Other creditor nations were more dependent on imports.

The magnitude of those problems is indicated by the fact that last year's international trade by all nations totalled \$100 billions—of that the United States was responsible for one-fifth. Our exports exceeded imports by \$7 billions.

Balanced trade is of vital importance not only to us but to all countries of the world and it is an irrefutable fact that balanced trade can be obtained only by a balance of exports with imports. The old axioms—"international trade must be a two-way street"—"you have to import if you want to export"—"the only justification for an export is to pay for a needed import"—all were brought home to us in most forceful fashion.

*One of the many complications in achieving balanced trade is the necessity of maintaining our standard of living, our wage structures, and protecting our industries from competition based on wages in nations with substandard living conditions. At the same time we must recognize that importations are necessary (unless we constantly pursue an increasing investment policy abroad) if we are to enable other nations to effect a balance of trade. Even an investment policy must permit those people enjoying our dollars or credits to earn a profit on their use so that they can service those debts and retain earnings for their own development.*

More thought and study should be given to trying to solve this dilemma in which we find ourselves. In certain areas we can increase imports without adverse effect upon our own economy. We must also keep in mind the fact that our natural resources are not limitless. Where natural resources are found in abundance in other lands, over a long period of time it may be judicious to encourage greater importations as a matter of conservation. We must protect highly competitive industries, such as the textile industries, because they are too important to us in peace, war or a defense period. We must remember that, in an emergency, established lines of transportation and traditional sources of supply may be denied us and this could leave us most vulnerable if we had decreased or abandoned our own production.

Wage rates abroad can no longer be offset by our better plants, equipment and production skills. As to plants and methods of production, many of our people are unaware of the fact that in many countries recently constructed plants and facilities as well as production schedules are more modern and efficient than ours. That is why a new appraisal must be made of foreign trade, always keeping in mind that its expansion is absolutely essential to the peace and prosperity of the world. The crux of the situation is to determine how foreign trade can be developed without temporarily lowering our own standard of living.



## THE AUGUST COVER

THE familiar "ounce of prevention" becomes two pounds of cure—one for the supplier, the other for the account—when the opportunity for credit-counseling arises in the wholesale drug field, with its unique requirements of receiving, shipping and billing orders from the same accounts, within a matter of hours and on a daily basis.

How the counseling works out to that end, in helping both the new and the old buyer, is exemplified on page 12 in two case histories by Norman Cutler, credit manager, New York Division of Ketchum and Co., Inc. (Biography on page 12).

In the cover picture Mr. Cutler is shown summing up the results to Harold M. Altshul, president of Ketchum and Co.,



and other executives. Left to right: Mr. Cutler; Leo Danzis, company vice president-operations; Mr. Altshul, and Barney S. Gottlieb, manager of the New York Division.

President Altshul, long active nationwide in the drug industry, has been a member of the board of control of the National Wholesale Druggists Association, past chairman of standing committees on proprietaries and distribution, on auditing and budget, and as a vice president. He was 1946 chairman of the Drug, Chemical and Allied Trades section of the New York Board of Trade, of which he was a director and vice president for several years.

Mr. Altshul was a founder and the first executive chairman of the Young Presidents Association.

Leo Danzis had joined Ketchum in 1945 as division manager of the newly acquired Barry Division, New York. In 1948 he was elected vice president of the organization; in 1956 he opened and managed the Ketchum-Jersey Division.

Mr. Gottlieb, before becoming associated with Ketchum in 1947, had served two years as buyer and merchandise manager of Sun Ray drug chain and previously had been with a small wholesale drug house in Newburgh, N.Y. He served McKesson & Robbins many years as a buyer.

# FINANCIAL MANAGEMENT

General Manager, Edwin B. Moran

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## IN THIS ISSUE

	Page
The Foreign Trade Dilemma— <i>Editorial by Henry H. Heimann</i>	4
Washington	6
They Prefer to Send a Monthly Statement—Proponents in CFM Debate-in-Print Declare Overall Benefits Outweigh Savings That Would Have Been Effected by Elimination	8
Credit Rigid as Bride's Biscuits or Elastic as Slingshot? Neither! —Unusual Risk Takes Special But Sound Measures	11
Management at Work	12
Trainees Learn Credit Is Staunch Ally of Sales	15
Negotiable Instruments and Security Devices	17
Trends	20
New Approach Speeds Direct Mailing and Cuts Overall Cost by One-Third	21
Modernizing the Office	23
On the Personal Side	25
Legal Rulings and Opinions	26
Book Reviews—Efficiency Tips—Keeping Informed	27
Calendar of Coming Events	32
Executives in the News	33
Reports from the Field	34

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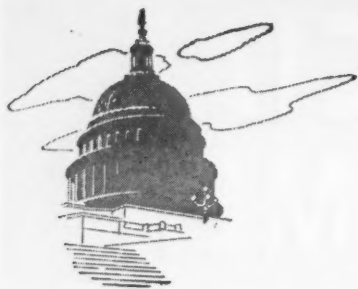
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# Washington

❖ VARIOUS INDICES "support the view that the resistance powers of the economy to further decline are asserting themselves, and getting much stronger," Dr. Gabriel Hauge, President Eisenhower's special assistant for economic affairs, told Ogden R. Reid, president and editor of the *New York Herald Tribune*.

Predicting that employment will rise by this fall and that "we are about to emerge into a period of less upward pressure on the cost-of-living very soon," the economist told Mr. Reid and other editors of the newspaper that "one of the greatest threats to a healthy recovery would be a resumption of price increases all around." Of recent stock market activity he said, "The only thing I am sure of is this, that it is telling us that there is no big depression ahead."

On international trade, Dr. Hauge commented that "there can be no question but that America's self-interest lies in an expanding volume of trade, investment, travel and all the other various economic relationships with the free world."

Of the Soviet Union, this: "I think they are coming to the end of their economic honeymoon with some of the satellites."

❖ OVERSTATEMENT of corporate profits, due to lack of proper adjustments, had averaged over 30 per cent in the postwar decade 1947-56, says the Machinery & Allied Products Institute, with the result that "effective corporate income tax rates have exceeded stated rates by an average of nearly 7 percentage points."

Say the Institute's analysts: "Many corporate officials are keenly aware of the illusory character of the profits they have reported in recent years. On the other hand, many have taken them at face value. In so doing they have been fooling not only labor, political leaders, and the public generally, but themselves as well. They are the victims of their own myth. Surely it behooves management to reconsider the accounting practices that have created the distortion."

"If the American corporate system had shown its true profits of \$144 billions for the decade, rather than the \$187 billions it did show, it would have saved itself much misdirected criticism and attack."

❖ SPECIAL appropriation of \$300,000, additional to the President's budget of \$1.25 millions for the Commerce Department's foreign technical information program, was asked by Secretary

Sinclair Weeks for establishment of a foreign technical information center to promote scientific knowledge.

As a clearinghouse in the office of technical services, the center will collect, evaluate and distribute valuable foreign scientific and technical literature for the use of American scientists and engineers. The move follows surveys last year with the cooperation of the National Science Foundation.

❖ MAJOR industries in general view the year ahead with moderate optimism, according to the annual survey by the commerce department's business and defense services administration. A favorable indicator is the continued strength of building and highway construction, while a lower operating level is looked for in steel and autos, said Administrator H. B. McCoy. Lumber and cement will also reflect growth if construction holds up.

Also listed on the upside were these: truck and trailer production, agricultural machinery, power equipment, material handling, air conditioning and electrical equipment, electronics, industrial chemicals, synthetic rubber, scientific and industrial instruments, photographic products, medical and hospital equipment, communications, containers, printing and publishing, the pulp, paper and board industry, household appliances and furniture. On the downside: aircraft, machine tools, copper, mining machinery, industrial furnaces and ovens, and railroad equipment.

❖ COMES NOW an Administration proposal to subsidize five metals, a program which in essentials is a throwback to the so-called Brannan Plan (Charles F. Brannan was secretary of agriculture when Harry S. Truman was president). It would cost \$161 millions in the first year of the requested five-year authorization.

Fred A. Seaton, secretary of the interior, placing the proposal before the Senate interior committee, said it would set "stabilization prices" as follows: copper, 27½ cents a pound; lead, 14¾ cents; zinc, 12¾ cents; short-ton of acid-grade fluorspar, \$48; short-ton tungsten, \$36.

Observers saw these objectives: increase domestic mine production and employment; and so clip the oratorical wings of senators from mining states in opposition to the reciprocal trade program; and set the stage for Presidential rejection.

tion of the tariff commission's recommendations for higher levies on lead and zinc imports.

¶ **PROTESTING** any increase in tariffs on lead and zinc, 15 member countries of the Inter-American Economic and Social Organization warned that such increase would bring serious harm to the economies of Latin-American countries that "traditionally produce and export these commodities," chiefly Bolivia, Mexico and Peru.

Twenty-nine legislators sponsored bills to assess a duty of 4 cents a pound on foreign copper when the U.S. market price is below 30 cents a pound. At the time, major producers were selling at 25 cents.

¶ **CLARIFICATION** of the states' rights section of the Bank Holding Company Act has been asked of Congress by the Federal Reserve Board. The New York state legislature has passed a special law which would in effect bar the proposed holding company that would unite First National City Bank and the County Trust Company of White Plains. First National City has appealed to the board for permission to carry out its proposal. The question, notes the Board in its report

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**THE FEDERAL REGISTER**—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25, D.C.

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to Congress on problems in administration, is "whether the board is legally precluded from approving a transaction that would appear to violate such a state statute, or if not so precluded, the weight, if any, that should be given to state policy evidenced by such a statute."

¶ **OUTLAWING** the so-called "hot cargo" clause in contracts between labor unions and common carriers, the Interstate Commerce Commission implied that such action in violation of the ICC certificate might result in withdrawal of the certificate. The National Labor Relations Board already had outlawed such clauses.

¶ **MANDATORY** restrictions on petroleum imports, by amendment of the Reciprocal Trade Agreements Act to fix penalties on imports that exceed the voluntary levels specified by the President, are proposed by the executive council of the Independent Petroleum Association of America.

Such excessive imports, according to the proposal, would be subject to a duty "equivalent to 30 per cent of the value of the cargo at point of entry", and would also be subject to "specific

penalties including damages and confiscation of cargo".

The council wants another amendment to specify that imports that exceed the 1954 relationship to domestic demand "endanger national security and shall be limited to such relationship."

A few companies have refused to comply with the voluntary limitations established by the Government last year.

¶ **WHILE** officials of the Bank of England and Britain's Treasury said the Government's reduction in the bank rate (comparable to our Federal Reserve's discount rate decrease from 7 to 6 per cent) was not a move toward general loosening of the credit squeeze against inflation, financial and business circles welcomed the action. The rate had been boosted to 7 per cent from 5 per cent last September. The board of trade recently announced that the ratio of import to export prices had returned to Britain's favor.

¶ **FROM PARIS** came word that the French Government's National Credit Council has set at \$7 billions this year's volume of short and medium-term credits from banks to private enterprise. The action was taken to respect commitments made by France to foreign creditors regarding a tight control of credit. Since the credit ceiling cannot be increased, the Government and the Credit Council have been limited to redistribution of available credit. Thus, special credit facilities have been made available to companies making an exportation effort. The Government has promised to abandon artificial aids (subsidies) to exports, criticized overseas as contrary to GATT (General Agreement on Tariffs and Trade).

¶ **FORECASTING** that within a few years Russia may be underselling American products with a Soviet item as a move for prestige, Henry Cabot Lodge, U.S. ambassador to the United Nations, says Washington may have to consider Government support to exporters facing such price-cutting abroad in order to meet such competition "which the individual businessman who pays good wages to free labor cannot win." However, such a move should not entail sacrificing America's "unique asset" of basic principles of equality, justice, humility and brotherly love, he added.

Addressing the annual dinner meeting of the Brand Names Foundation, in New York, Mr. Lodge declared most countries "firmly believe that we stand for the right things and that we deeply want peace."

¶ **1958 SUPPORT PRICES** for 11 kinds of dry beans were announced by the department of agriculture. The prices, ranging from \$4.80 to \$9.55 a hundredweight, are 12 cents below the year-ago level for each kind. The rates will yield an average support price of \$6.18 a hundredweight.





# They Prefer to Send

## Declare Overall Benefits Outweigh Savings in Time and Costs

**I**F THERE IS a trend toward elimination of the monthly statement to all accounts except those who request them, credit executives commenting on this and the following pages still prefer the practice.

Last issue, introducing a *Credit and Financial Management* debate-in-print, we published letters from managers who have discarded the monthly statement in the interest of economy of time and money in operation of their departments.

Those executives who favor continuation of the procedures have their say in this issue. Besides their own argument that the monthly statement helps expedite collections they point to the expressed convictions of customers that they want the monthly statement for checkups on invoices, that many pay by statement, and that the overall benefits to the department offset the savings that otherwise would be effected.

One conclusion readily drawn from the replies is that it is in the area of the small account that mailing the monthly statement continues to be considered most advantageous—*Editor*.

### A "Must" in Collecting Small Accounts; Large Pay by Invoice for Discounts

S. A. PAINE, *Secretary-Treasurer, Screw Products Corporation, Dallas, Texas*

**W**E are a local supplier and have a great many very small accounts. Our larger accounts pay by invoice in order to obtain the 1 per cent cash discount. We find the monthly statement is a very good collection medium on the small accounts.

Couple this with the fact that none of our customers objects to receiving a detailed statement of all transactions during the month, and it is readily visible that monthly statements are a "Must" in our collection operation.

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### "Conditioned to Statements"

*"Our trade is conditioned to expect a monthly statement, and the payment of a large percentage of the accounts is worth the relatively small expense."*

—A. H. HANSSEN, *Financial Officer, Davison Chemical Company, Division of W. R. Grace Company, Baltimore, Maryland*

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### Statement Sent on a Transaction When That Account Is Past Due

T. O. METCALF, *Assistant Secretary and Assistant Treasurer, Toledo Scale Division of Toledo Scale Corporation, Toledo, Ohio*

**E**XCEPTING several large accounts whose payments of our invoices would only be hampered by the sending of statements, all our customers receive statements, but these statements fall into two categories.

A number of companies require monthly statements sent out on a date requested by the customer, and these statements pertain to any items, debit or credit, more than 30 days old. To the vast majority we send an individual statement on each transaction when that account is past due.

Except in a few instances of requests, we send statements only on accounts that are in arrears.

### Discontinuing Would Be Folly until His Trade "Can Master Bookkeeping"

ROBERT G. FULTON, *Credit Manager, Motor Supply Company, Inc., Spokane, Washington*

**W**E find it absolutely necessary in our business and territory covered to send statements to all.

We realize that many factories that are our suppliers do not mail monthly statements, and we must say this is a good way for us to do their bookkeeping for them. The only time we know that an invoice has gone astray is when we receive a delinquency notice, and that doesn't set too well with us. On the other hand, our customers are principally small garages and service stations, very slow in keeping a set of books. They depend on our statement to check the amount after mailing their remittance.

Until our class of trade can master bookkeeping it would be folly on our part to discontinue the procedure. Despite the present economic conditions we still are collecting 80 to 85 per cent of our accounts receivable each month.

### Open Item Statements Cost More But Speed Collections, Adjustments

S. M. SERAFIN, *Credit Manager, Minute Maid Corporation, Orlando, Florida*

**P**RIOR to April 1st we sent statements to all accounts. These statements showed the balance brought forward from last month, to which was added the detail of the current month, resulting in a new balance. We found this type of statement was not used by the majority of our customers, and on April 1st we changed to making statements on IBM machines. The new statements show only the open items at the end of the month, and many of our accounts have advised us that they now use the revised statements covering frozen food purchases.

Since we also sell cold pack orange drink, we keep these customers in a separate accounts receivable ledger. Approximately a year ago we made a survey as to how many accounts required statements, and received requests to continue sending statements to less than 2 per cent of the accounts. In these instances we make state-

# A Monthly Statement

ments specially for them. Since we extend a cash discount for the orange drink, we receive payment within the discount date.

After a careful investigation, we find that it costs us a little more to send out open item statements. However, our collection turnover has increased so that this cost is more than offset by receiving payment earlier. Moreover, we find that claims deducted by customers are handled more promptly by the other departments within the company, since they continue to appear each month as an open and past-due item.

The new open-item statements have helped the credit department in collections, as well as the adjustment department in settling matters sometimes delayed or deferred by our sales personnel.

---

## Sales Supervisor Helps

*"Our business requires a very close relationship with our distributors," writes one credit manager who prefers his company be not named. "We have found from experience that a hint, or when necessary a direct statement, by the sales supervisor that the credit department is concerned about the delinquency of the account, will in the great majority of cases result in volunteered information or action which will rectify the situation."*

*"By using multi-copy forms, our accounts receivable statement is a copy of our accounts receivable ledger."*

---

## Help Correct Errors in Postings; Most Discount on 10th of Month

D. G. MOSES, Credit Manager, Graflex, Inc., Rochester, New York.

**W**E send monthly statements to all. The majority of our customers discount statements on the 10th of the month.

Statements are also important in that they correct bookkeeping errors in postings, as the customer takes exception to erroneous entries.

## Many Pay Statement Without Checkup To See If They Have All The Invoices

ALVIN H. TANNER, Secretary, Hart's Automotive Parts Company, Chattanooga, Tennessee

**W**E send statements to all customers because our particular industry, at least at the distributor level, demands it. We sell so many service stations and garages that have no bookkeeping system and use our statement as the means of paying their account. We even have a

---

## 99 Per Cent Want Statements

*"We send statements to all except those who request otherwise, and 99 per cent of our customers want a statement each month. It induces prompt payment." — J. ROY PIERSON, Vice President, Thomas Field & Co., Charleston, W. Va.*

---

surprising number who pay our statement without even checking to see if they have all their invoices.

Most of these small businesses just file away their monthly statements from all the places they buy, and use them as a basis for their income tax return.

Of course we have several large accounts who pay by invoice and ignore our statement. However, these accounts represent only a very small percentage of the statements we send out, even though they do represent a much larger percentage of our dollar volume.

We tried not sending statements at all in one of our smaller stores by using the Remington Rand SUIAP system and mailing invoice copies instead. We had so much repercussion from our customers that we had to attach a simple statement just listing the amounts and the total. So many small businesses do not even have an adding machine to add their invoices. I don't know of a single distributor that does not mail statements to all its accounts. We list only the invoice date and amount; thus far we have not been forced to list invoice numbers.

We pay our bills by invoice rather than statement, and many of our suppliers do not send statements. I think that our industry at the manufacturers' level sends statements only to those requesting them. Many of our larger accounts could be educated to pay without statements but it would be more trouble to separate them than to just send statements to all.

## Credit Personnel Find An Advantage On Decision Whether To Ship More

GEORGE V. REED, Assistant Treasurer, Credit Manager, Continental Steel Corporation, Kokomo, Indiana

**W**E have considered sending statements only on request, but mailing statements to all helps members of the credit department detect accounts becoming larger, provides one more look-see at what transpires, aids in decisions whether to release additional material, and aids in checking old balances.

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## Saves on Correspondence

*"Statement and ledger cards are posted simultaneously. We believe statements eliminate early correspondence and initial reminders of delinquencies."*

E. J. STRAUBE, JR., Schering Corporation, Bloomfield, New Jersey.

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## Expedites the Correction of Errors; Dropping Would Save Only Postage

W. J. STONE, Assistant Treasurer, Sefton Fibre Can Company, St. Louis, Missouri

**W**E send statements to all customers except those few who specifically request that we not do so, and in the latter cases we nonetheless type one, as the file copy is used for credit purposes in the ageing of accounts as well as in the writing of individual letters to delinquents and in the follow-up.

Our number of active accounts in any given month is

not sufficient to create any extra workload. To eliminate the sending of statements would not materially decrease cost and would actually save only the amount of postage, which is negligible. We would make a carbon for our file regardless.

We have found that the sending of statements has expedited the correction of any errors in a customer's account.

#### **Statements Avert Misunderstanding; Provide Check on Invoices Received**

MRS. ROSE (MIGDALL) KOHN, *General Credit Manager, New Era Shirt Company, St. Louis, Missouri*

**S**INCE most of our accounts are small, we feel a statement to check invoices eliminates a great deal of misunderstanding. Some large department stores request us not to send statements and these requests are marked on the ledger cards.

I would like to eliminate statements and so cut clerical work and costs, but I feel it would greatly affect collections for several months.

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#### **Checks within Three Days**

*"Statements are sent all customers, except three or four large companies who ask they not be sent. Within three or four days after mailing we begin to get checks with our statement head attached. We feel that it definitely pays."*—RALPH L. FOX, *Treasurer, The Cleveland Tool & Supply Co., Cleveland, Ohio*

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#### **Statement Does Not Go to the Direct Account Handled by Regional Office**

F. J. SQUIRES, *Secretary and General Credit Manager, The Sherwin-Williams Company, Cleveland, Ohio*

**D**EALERS, painting contractors, sign shops, body refinishing shops, small industrial accounts and consumers all receive monthly statements.

Direct accounts handled by regional offices—large industrial accounts, railroads, steamship companies, automotive jobbers, hardware and paint jobbers—receive statements only when requested.

#### **Decided Pickup in Collections Shows Soon After Statements Are Mailed**

R. E. WHITELEY, *Assistant Secretary, and Credit Manager, Fairbanks, Morse & Co., Chicago, Illinois*

**M**ANY of our customers pay by statements. There is a decided pickup in collections shortly after statements are mailed.

It appears to us to be a good collection practice.

#### **Most Use Statement for Checkups And Point Out Unrecognized Items**

H. C. COGAN, *Treasurer, Parker-Hannifin Corporation, Cleveland, Ohio*

**W**E mail statements to all customers except a few who specifically request that no statement be mailed.

We continue to mail statements because they inform the customer what the total of his account is at the close

of each month. Most of our accounts use the statement to check against their records and advise us of any unrecognized items. The statement thus serves as a collection reminder. For us it has proved very successful.

#### **Statements Sent Only Those Who Buy Products in Consumer Form**

LLOYD SINICKSON, *Credit Manager, American Cyanamid Company, New York, New York*

**W**E DO send monthly statements to those who buy our products in consumer form (Lederle Laboratories Division, Surgical Products Division, and Animal Health Department). This is the customary practice in the drug and surgical products industries.

We do not send monthly statements, except on special request, to customers of other divisions who buy our products for industry, because it is not the custom in industrial chemicals, plastics, agricultural chemicals, organic chemicals.

#### **Letter If No Charges for 90 Days But Cards Show Balance Is Due**

R. M. LONG, *Assistant Treasurer, Fenestra, Inc., Detroit, Michigan*

**S**TATEMENTS are mailed to all. On delinquents, form letters are used to a point, then individual letters follow.

The only change in statement mailing is that when customers' accounts show no charges or credits for 90 days but contain a balance due, they are handled by letter and no statement is mailed.

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#### **Stickers and Notations**

*"We mail statements to all customers. To delinquent accounts we send statements during the month as well as the regular monthly statements, using stickers and written notations. We also send them individual letters."*—RALPH P. BAUMGARDNER, *Credit Manager, The Bond-Rider-Jackson Co., Charleston, W. Va.*

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#### **Fears Number Of Delinquent Accounts If They Failed To Receive Statements**

J. H. MURPHY, *Assistant Treasurer, and Credit Manager, Universal Mills, Fort Worth, Texas*

**O**UR policy is to mail statements to all customers on the first of the month.

Our dealers are educated to pay by statement, and if they should fail to receive a statement, I am afraid it would cause a number of delinquent accounts.

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*"Among the qualities of mind and heart which conduce to worldly success, there is one, the importance of which is more real, and which is generally underrated in our day. It is courtesy."*

—H. H. Schiffer

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*Credit Rigid as Bride's Biscuits or Elastic as Slingshot? Neither!*

## Unusual Risk Takes Special But Sound Measures

**C**REDIT policies "range from those having the rigidity of a bride's biscuits to those with the elasticity of a slingshot," but whatever the policy, all have the same basic premise: collect the money due, says Russell H. Hawkins, credit manager of Wayne Knitting Mills, Fort Wayne, Ind.



R. H. HAWKINS

If credit policy is too elastic, "the slingshot can be a boomerang; if too rigid, the biscuits can cause business indigestion," Mr. Hawkins warns.

With credit management's responsibility heightened and the consequences of refusing a sale more far-reaching as the buyer's bargaining position strengthens, "a lost account is not as easily replaced as it was a year ago or the year before" but "lost capital is not easy to replace, either." Hence, most policies "gravitate toward a happy medium," he points out.

### *Call for Special Measures*

Underscoring the "contradiction of credit management that when the pressure to approve orders increases, the effects of competition on customers and potential customers cause an increase in the number of marginal and doubtful accounts," Mr. Hawkins notes that closer application of standard credit department procedures should keep the manager adequately informed on the general run of accounts, but "the unusual risk calls for special measures."

"The sales force has infected the customer with merchandise; the billing department has induced fever and complication by submitting invoices. D Day, or due date, has been set in advance. Some sedatives have been administered by the advertising department and returned goods division in forms of credit allowances. The objective to be reached by the chief surgeon—the credit manager—is to extract money from the patient painlessly and with no delay, to avoid complications."

Suggesting that whatever the com-

pany's policy it should have "a reinforcing rod of firmness," Mr. Hawkins told members of the Fort Wayne Association of Credit Men, in a panel discussion, that the credit manager should know his customers better than they know him.

Looking above and beyond the financial statements and reports submitted by the credit association and agencies concerning the company's various accounts, he said, if the credit manager knows the idiosyncrasies of the customers he is "much more effectively armed to administer the velvet glove treatment in regard to past due receivables and future shipments."

"Each and every one of us," says Mr. Hawkins, "has a veritable

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**RUSSELL H. HAWKINS, who** *majoried in business administration at Kent State University, was for six years in the personnel department of Jack & Heintz, Cleveland, and after Army service was assistant buyer at Wolf & Dessauer Department store. Joining Wayne Knitting Mills in 1953, he became credit manager on retirement of H. H. Hageman.*

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menagerie of accounts. To name a few: the beaver, the fox, and the tortoise.

"The eager beaver is a joy to every credit manager's heart. Invoices are always paid on time,—yes, even anticipated. However, sometimes the eagerness is carried away to the point where excessive deductions are made for anticipation. In most cases a courteous letter of explanation containing pertinent data brings a prompt response.

"The variety of fox in my particular menagerie forever seems to interpret terms of Net E. O. M. as 10 per cent discount, although we may have enjoyed customer relations in excess of 20 years. Certain invoices may be skipped when making remittances. When they are called to his attention, duplicate invoices are requested along with proof of delivery. Of course there may be occasions when these invoices have been misplaced or misfiled. However, the true fox uses this

method as a delaying tactic. In the end, however, patience and persistence result in payment of the original bill as rendered.

"The tortoise tried and true, slow but sure, is always 30 days late. A courteous letter of reminder as a rule is all that is necessary to jiggle the memory and payment is forthcoming.

### *Courteous Correspondence Helps*

"Many accounts, although financially able to pay bills on time or even anticipate, fall in a rut and always pay late. Their names appear on the past due list every month, and the monthly letter of reminder gets to be like a letter from home. By recourse to courteously worded correspondence, such accounts eventually become prompt in their remittances.

"The ultimate results of company's credit policy will vary in ratio to the amount of deviation taken from the original terms under which credit was extended. Concessions granted to one account that are not enjoyed by the trade in general will eventually loose the floodgates of adjustments, because news of this sort travels fast.

"A man wellknown and respected in businessmen's circles said, in an address I heard, that if his credit manager had no bad accounts on the books he would fire him. He felt that a too timid position taken by credit executives in extension of open credit to establish new accounts in marginal or similar brackets causes loss of business which inevitably will be absorbed by the competitor who has a management more alert and open-minded in handling accounts not considered gilt-edge."

A fair but firm approach to all accounts, Mr. Hawkins summed up, will earn their respect and cooperation.

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### MIDDLE AGE

*Time when a man stops dreaming of his name going down in history and starts hoping it will not go down in bankruptcy.*

**Anonymous**

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## MANAGEMENT AT WORK

*.... a problem case is solved*

**By NORMAN CUTLER**

*Credit Manager*

New York Division  
Ketchum & Co., Inc.  
New York, New York

**A**dequate financial capitalization and proper management of funds is a "must" for the retail pharmacist in today's expanding market for drug products. A recent survey by a leading drug manufacturer revealed that the average drug store stocks almost 11,000 items and that this total will increase as new items are introduced and old ones replaced or improved. The established retail pharmacy must not only stock these new items but it must also be in a position to pay for the initial inventory required and the almost daily replenishment thereafter. The pharmacist cannot afford to overlook the additional profit of "cash discount" earned by prompt payment of his purchases.

### *Field Service Emphasized*

Our credit policy at the New York Division of Ketchum & Co. Inc., is geared to the drug store's interest as well as our own needs. It requires that the credit manager's time be spent in the field assisting the pharmacist in proper use of his own capital, guiding him in his buying habits, analyzing his expenses and setting up plans so that delinquent accounts will become current and discount-conscious. This assistance is especially useful to the younger and newer pharmacists who are venturing out for the first time in their own stores.

Recently, a pharmacist clerking in one of our accounts came to us with the news that he wanted to pur-

chase an old, rundown store that had excellent potential for expansion. We knew the location of the store and agreed that the potential was there. The pharmacist explained that he was planning to renovate and restock the store, assuming that we would accept his credit on the merchandise purchases required.

After our initial well wishes, we asked him to fill out our regular credit application and then delved into his plans as he presented them. Basically, the available \$9,000 cash was limited—how he would apportion it was important.

It took but five minutes of questioning and analysis to discover that his investment would be utilized in such a manner that he would be understocked, inadequately insured, and almost certainly insolvent within a few months, based on his own expectations of volume, and capital expenditures. Step by step we changed his planning.

### *Five Steps to Success*

1. The renovation job would be given out as one contract under his plan and would certainly produce a magnificent store. Half his funds would be spent immediately as the down-payment. This outlay, together with the cash payment to the current owner, would leave him with \$1500 for the purchase of merchandise, deposit on lease, insurance payment (not previously planned for), and incidental expenses prior to reopening the store. Basically he would be without working capital on opening day and could not possibly hope to meet the first month's notes, expenses and purchases out of profits—even if business "boomed" to meet his expectations. Was this large expenditure for renovation really necessary? The location was a good one but in a medium low-income area near a new city housing development. After all, he would be selling drug items and service—not

fixtures. We advised a less expensive store renovation and a "farming out" of individual contracts for the fixtures, store front, electrical and plumbing work, to permit "bar-gaining" on each phase.

2. We advised negotiation of a lease with graduated increases, so that initial years of rent would be lower while he was building his volume. It would cost a little more over the life of the lease but would keep his expenses down when that was most necessary.

3. We suggested the same cash payment for purchase of the store but a longer period of more moderate payments for the balance. The monthly note had to be met out of profit—not from the limited capital.

4. We asked that the pharmacist obtain *full* coverage on the store's estimated inventory—including "use and occupancy" insurance, which has saved the business life of many a store owner who has had a fire or other catastrophe interrupt his business activity.

5. We also suggested retaining an accountant to set up a good set of books as well as the permits,

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**NORMAN CUTLER**, credit manager of Ketchum and Co., Inc., New York, who holds a graduate degree in business administration from City College of New York, joined the company in 1954 as chief accountant for the New York and Barry divisions. He was promoted to credit manager of the New York division in 1956.

Mr. Cutler had been a senior auditor for APW Products, Inc., manufacturers of paper and paper products, and earlier with RKO-Pathe, motion picture and television producers. He served 3½ years in the U.S. Army, chiefly in the Aleutian Islands.

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records, tax returns, and other items which are an integral part of business today.

The suggestions were well taken by our prospective customer and we were subsequently advised that all were being put into effect. The renovation job alone was contracted out to several people at an approximate saving of \$1200 under the original estimate of \$8000. The chattel mortgage terms on the fixtures were arranged for a longer payment period, with the first payment to be made three months *after* installation. The landlord also waived rent for the first 45 days, happy that the property was being improved and that he would be obtaining a long lease.

All these factors, plus the fact that there was sufficient cash remaining for operation of the store during its "opening" months, erased our objections on the extension of credit. By proper guidance of this prospective new store owner, we had gained a new customer—and a loyal one.

#### Aiding the Successful Retailer

Quite often, however, it is not the newcomer who requires guidance from the credit manager. The well-established retailer frequently avails himself of this assistance in meeting problems that are financial in nature. There are occasions, too, where even the successful pharmacist who is not in difficulty may benefit from personal discussion with his wholesaler's credit manager regarding his store's operation.

We had such an individual who was not considered a risk account by us even though his payments were being made "twenty to thirty days late" consistently. He had a neat, well-stocked, active store which was maintaining steady and profitable volume. Yet the account failed to take advantage of the profit in cash discount and resisted our efforts to make him current on our books. Finally, after several personal visits, the retailer admitted in friendly confidence and with a knowing wink that he didn't mind losing the 2 percent cash discount. His available cash, including profits from the store, was being placed in investments which were yielding him a return of approximately 12 per cent.

"Not bad," he said, "and 12 per-



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Telephoning is *direct, personal* and *confidential*. It gives you the full story in minutes, no matter where the information may be. This enables you to make decisions quickly yet soundly.

Credit managers rely on the telephone. It's fast, personal, low in cost. And it gets results.

#### LONG DISTANCE RATES ARE LOW

##### Daytime Station-to-Station Calls

For example:	First 3 Minutes	Each Added Minute
New York to Philadelphia	50¢	15¢
Seattle to Portland, Ore.	65¢	20¢
Milwaukee to Detroit	90¢	25¢
Indianapolis to Buffalo	\$1.20	30¢
Houston to Memphis	\$1.25	35¢

Add 10% Federal Excise Tax



#### BELL TELEPHONE SYSTEM

Call by Number. It's Twice as Fast.



cent is better than 2 per cent, so why should I discount my bills?"

His mistake in calculation was glaring—and he had completely overlooked this error which we quickly pointed out to him. The same \$1200 to \$1500 which he paid net to us on a 30-day-slow basis each month, if paid 30 days sooner and within our discount terms, would yield 2 per cent each month or 24 per cent per year. This was certainly a much better return on the money than the 12 per cent it was earning elsewhere.

We followed up this simple arithmetical explanation to the somewhat subdued customer with a plan to enable him to earn that 2 per cent each month shortly thereafter. He has since remained a most appreciative account with a consistent discount record.

The credit manager of a wholesale drug company cannot dismiss the financial problem of the customer as something for the customer to work out alone. It is an integral part of his own company's problem and he must help solve it if he is to keep the "marriage" of supplier and buyer mutually profitable. It is included in the word "service" when we describe ourselves as Ketchum & Co., Inc.—Service Wholesale Drug-gists.

### **Inventory Liquidation, Cost Of Living Critical Barometers**

Factors which may prove significant in turning upward from the business downtrend, according to the Federal Reserve Bank of New York *Monthly Review of Credit and Business Conditions*, are the somewhat steadier demand which appeared in March and April, and a probable early reduction in the cost of living which will whet consumer willingness to buy. The current holding up of demand, however, must withstand pressures from "declining employment and incomes in some major industries," notes the review.

"Bound to be a plus factor" on the business scene, observes the Federal Reserve Bank of Chicago in its monthly *Business Conditions* bulletin, is "any slowdown in the current rate of inventory liquidation," which proceeded at a record annual rate of over \$8 billions during most of the first quarter this year, "coupled with maintenance of the sales pace."

## **Instalment Credit Good Teething Ring For the Many Needed Young Bankers**

Bankers of the nation, meeting in Chicago for the National Instalment Credit Conference sponsored by the American Bankers Association instalment credit commission, heard experts touch upon every significant aspect of the current economic situation.

"In placing of emphasis on overall levels of business activity, it is easy to overlook the fact that adjustments in individual industries are constantly taking place," noted Lee P. Miller, vice president, ABA, president of Citizens Fidelity Bank & Trust Company, Louisville, Ky. "Economic activity is never a steady process. Even today some lines of business and some sections of the country have not felt the impact of what is regarded as a general recession in others. It is noteworthy that when total business was expanding between 1955 and 1957, many lines of industry and trade were in a declining trend.

"Second, it is not generally realized that during the greater part of 1957 the economy was proceeding under the momentum of capital expansion and inventory accumulation. This momentum was being fed, at least in part, by an inflationary psychology. Under such circumstances, it required courage on the part of the Federal Reserve monetary authorities

to recognize the importance of preserving economic stability—the delicate tightrope balance between inflation and deflation."

With an estimated 30 million instalment borrowers in the country today, the word "instalment" is virtually synonymous with "growth", declared W. Harold Brenton, chairman of the board, National Bank of Des Moines, who pointed out some of the impacts which instalment lending has had on banking. Bankers are now providing convenient, comfortable, and attractive quarters and longer hours. They are using ingenious advertising. People are coming to feel more at home in a bank, and they are learning to feel at home with a banker. In making calls, bankers are learning the importance of salesmanship. For example, finance companies that must acquire their business from a large area and some distance have long known that the regularity of calls, time after time by men on the move, eventually produces business.

### **Teething Ring for Young Bankers**

"While instalment lending has been important to banking, the greatest need in banking at the present time is for more well trained, competent young bankers; and I regard an instalment credit department as a stimulating place for young bankers to cut their teeth."

"I think we must assume that the year 1958 will be a rough year for automobile dealers, and we will see more dealer failures than in any year subsequent to World War II," said William F. Kelly, chairman credit policy commission, ABA, president First Pennsylvania Banking & Trust, Philadelphia. "This prospect of course suggests that we must be exceedingly careful in our extension of inventory credit. Of more importance, however, is the need for carefully watching the credit once it has been extended."

### **Machine Accountants Elect**

Lester E. Hill of Ryan Aeronautical, San Diego, is the new president of The National Machine Accountants Association.

### **Inventory Pile-up**

*Warning there is danger in further relaxation of instalment credit terms, the instalment credit commission of the American Bankers Association directs attention to the piling up of durable goods inventories and comments that if this pile-up continues, bankers can expect new pressure to lower down payments and stretch out monthly payments. The bankers are cautioned to resist such pressures.*

*Lower prices, better quality and service could do much toward restoring consumer confidence, notes the ABA commission, which places the burden of responsibility for an improvement in durable goods sales on the manufacturers, who must strive to assure the consumer returning to the marketplace that "he is getting his money's worth."*

# Trainees Learn Credit Is Sales' Staunch Ally

*Credit Career Is 1st or 2nd Choice of One-Fourth of 8-Hour Class*

By **THOMAS D. McELROY**

*Division Credit Manager*

*Spang-Chalfant Division*

*The National Supply Company*

*Pittsburgh, Pennsylvania*

**T**HE credit profession has come a long way in recognition as an aggressive partner of Sales by guiding the marginal account, counseling the customer and otherwise helping him to a stronger financial position, while protecting the receivables. Nevertheless, even today the credit department's service in increasing profit volume is not always fully understood.

Basically, education is the road to complete realization that the credit operation is a staunch ally of Sales. In the National Supply Company we are making excellent progress in this direction through presentations to members of the company's annual training classes.

## *Class Limited to 25 Trainees*

These groups are small, limited to about 25 trainees each year, but they have the potential of considerable influence. All college graduates, 22 to 28 years old, they are given a year or more of training. Some have climbed rather quickly, to such positions as division sales manager of our Canadian division, division engineer of our export division, assistant manager of our Venezuelan corporation, chief engineer of one of our plants.

In the training program, the men get experience at one or more of our oil field supply stores, make a work-study tour of our plants and those of several of our suppliers, and attend an executive seminar at the company's headquarters. In this seminar, 40 company executives address the trainees on the work of their departments. At the conclusion of the seminar, each trainee is instructed to submit a written report, unsigned, as to what he liked about the discussions and what he didn't like. He is urged to be frank and to pull no punches.

The credit presentation is made as part of that of our treasury depart-

ment. At the time of National Supply's first seminar in 1948, the credit presentation was limited to short talks compressed into a two-hour period. It was gradually increased to 12 hours, giving time for new ideas and methods.

Many trainees have no background in credit work, and expect our presentations to be as dry as dust. The 1954 and 1955 classes gave them high ratings, but when the 1956 trainees showed a negative reaction we conducted extensive research to improve the program.

A substantial part of the recommended changes resulted from a study of the credit orientation methods of 109 companies, and the conclusions reached in a Management Study Report prepared in connection with the Graduate School of Credit and Financial Management, conducted by the NACM's Credit Research Foundation.

Our 1957 presentation was reduced to eight hours and was completely reshaped. A number of the trainees rated it as the best presentation of the seminar. One trainee wrote: "Criticism of credit in the field could be averted if other employees had the background on credit policies that we receive."

An immediate benefit has been that several trainees annually have seri-

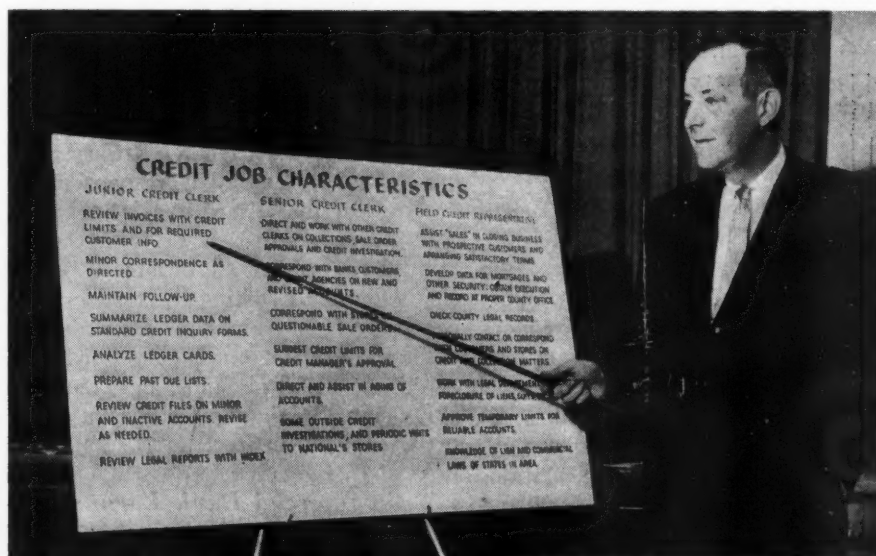
ously considered credit careers with National Supply. We have selected one or two each year.

Twenty-five per cent of the 1957-58 class named credit as first or second choice for career, offering a wide range of employee selection for our department.

All trainees gain a firsthand knowledge of many complex credit problems and of the department's objectives in complement to the company's sales efforts. Assuming the number of trainees remains constant at 25 per year, and that at least 50 per cent remain with the company, by the time the oldest trainee reaches retirement age the company will have well over 500 men schooled in this program. These men can be an important factor in spreading the doctrine of "credit cooperation" and "credit importance."

Participants in our 1957 presentation were J. B. Mensing, assistant treasurer and general credit manager; Francis H. Elliott and James B. Armstrong, assistant general credit managers; John P. Dankel, export credit manager; John C. Griffin, attorney; and the writer.

After introductory comments by Mr. Mensing, I discussed National Supply's approach to credit orientation, telling what other companies



*Thomas D. McElroy effectively uses "credit ladder" to describe credit functions to class of Spang-Chalfant trainees.*



were doing and why we consider trainees important. Mr. Mensing explained the treasury department organization, using such visual aids as the organization chart, a "credit ladder," and descriptions of the jobs of junior credit clerk, senior credit clerk, and field credit representative. He then took up educational and membership opportunities, and conducted a question-and-answer period.

Following an intermission, Mr. Elliott discussed sources of credit information, displaying samples of credit reports and reference books. Mr. Armstrong led a spirited 90-minute discussion of an oil field credit case, which the trainees had read in advance.

#### **Conference in Offices**

After lunch, the training class was divided into four groups for a series of four half-hour conferences, held in individual offices. Mr. Mensing and Mr. Dankel sparked the conferences on oil country and export credit problems, Mr. Elliott and Mr. Armstrong on general credit office functions and planning, Mr. Griffin on legal aspects of credit, and I had the study of credit problems at the division level, particularly with respect to the Spang-Chalfant Division.

A closing session on credit was devoted to answering questions of the trainees.

The presentation utilized both the lecture and group participation methods. The lecture approach is effective in providing a broad background of scope, policies, procedures, and problems, but if overdone it causes the trainees to become restless. The chief criticism of our 1956 presentation had been that there should have been more group participation.

#### **Discard Movie**

For several years we had shown a movie that had no application to National's credit operations. We dropped it last year, and emphasized group participation, frequent changes in faculty and program content, and a reasonable number of "stretch" periods, coupled with some touches of humor and a surprisingly large amount of credit orientation.

The use of a case study, permitting trainees to express their own ideas, has proved especially popular, as have the small group conferences in

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**THOMAS D. McELROY, who holds the Executive Award of the Graduate School of Credit and Financial Management, NACM, in 1955 became division credit manager, Spang-Chalfant Division, The National Supply Company, Pittsburgh.**

*Following graduation from the University of Toledo, Mr. McElroy had begun as a credit clerk in 1932, then was assigned to credit and financial projects in Pittsburgh, Philadelphia and Springfield, Ohio. After being assistant credit manager, engine division, Springfield, he was promoted in 1954 to supervisor, general credit office, and the following year advanced to his present post.*

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individual offices that make possible a closer relationship.

In the study of the training methods of other companies, prepared for the Graduate School of Credit and Financial Management, I mailed questionnaires to training and financial officials of 109 companies and received replies from 87. Of these, 28 indicated they had no training programs but two were developing such programs. The other 59 reported an annual total of 4,110 non-technical trainees, averaging 70 per company. Only 40 gave any orientation in credit.

#### **Only 27 Credit Programs**

In 13 of the 59, indoctrination in credit consisted of a visit of from ten minutes to an hour with the treasurer or credit manager by each trainee or by small groups. Of the 109 companies contacted, only 27 gave planned programs in credit indoctrination to general trainees.

The fact that a comparatively small percentage of companies gives adequate credit indoctrination to trainees is a mistake. A trainee advancing to executive responsibility may thus be left with a blind spot. It is logical to reach the future executive in a training program.

Admittedly, telling the credit story effectively to trainees whose main interests are in other directions requires careful planning and frequent revision. Judging by our results, such planning is justified.

#### **Commercial Bank Earnings**

Despite probably lower loan volume this year together with the downward trend in interest rates, "bank stocks

appear favorably situated," notes The First Boston Corporation in its ninth annual edition of "Data on Selected Commercial Bank Stocks." The large amount of loans on the books at last year's high rates, plus the increased funds available for investment because of reduced reserve requirements, will be offsetting factors to the readjustment, notes the study.

#### **Early Upturn Is Predicted on Basis of Commercial Loans**

An early upward turn of the business activity was predicted on the basis of the relation between commercial finance company loans and the business cycle, following a survey by Standard Financial Corporation, Theodore H. Silbert president.

The 51 commercial finance companies were asked to tabulate their accounts receivable loans to business corporations in the last two downturns, to ascertain whether such loans anticipated the cycle or followed it.

The composite data indicate that in the first business fall-off (Nov. 1948-Oct. 1949) accounts receivable did not drop until 2.7 months after the cycle turned downward, and three months later in the second business slide (July 1953-Aug. 1954).

In both cases the rise in accounts receivable loans preceded the general business upturn by two months.

#### **Profits Dive As Revenues Soar, Airlines '57 Report**

The scheduled airlines of the United States took in more than \$2 billions in revenues last year for the first time in their history but mounting operating expenses cut the year's profit to a little more than \$42 millions, the lowest level since 1950 when revenues were about one-third those of 1957. According to *Facts and Figures*, profit margin for the industry was 2.0 per cent in 1957, compared with 5.3 per cent in 1952.

#### **Defense Accounting Guide**

The new revised 480-page "Accounting Guide for Defense Contracts" by Paul M. Trueger, CPA, outlines detailed administrative procedures and the present rules for negotiating all phases of defense contracts between the Government and private industry. Commerce Clearing House is publisher.



# Negotiable Instruments and Security Devices: Concepts, Kinds, Advantages and Some Pitfalls

By **ROBERT O. McNEARNEY**

*Attorney*

**Thompson, Mitchell, Thompson &  
Douglas Law Firm  
St. Louis, Missouri**

**T**HE payee of a negotiable instrument is not a holder in due course, except in very unusual circumstances, and the peculiar advantages of a negotiable instrument are for the benefit of a holder in due course.



R. O. McNEARNEY

As its very name indicates, a negotiable instrument is given advantages over non-negotiable instruments in order to facilitate the negotiation or transfer of such instruments.

About the only advantage that a payee gets from a negotiable instrument is procedural. Under the Negotiable Instruments Law, consideration is presumed in the case of a negotiable instrument but not in the case of other instruments. Therefore, in a suit on a negotiable instrument, the burden of proof shifts so that the obligor has the burden of proving *lack* of consideration, whereas, in the case of non-negotiable instruments, the burden of *proving consideration* rests on the holder. Proving consideration should be no great problem in the case of sales that are made on credit.

The great and real advantage of a negotiable instrument is that the one to whom the instrument is negotiated, under circumstances that make him a holder in due course, takes it free and clear of ordinary defenses and has the right to enforce it in many circumstances when the original payee would not have such right, as for instance if there has been a failure of consideration. If the purchaser who signed the note was dissatisfied with the merchandise for any valid reason, for instance if the merchandise was defective or was not

as represented, then the purchaser can assert that as a defense to a suit on the note in the hands of the payee. But such a defense is not available against a holder in due course.

Following are some of the more important aspects of a negotiable instrument:

1. The *Form* of the instrument alone determines whether it is negotiable or not. To be negotiable, an instrument must (a) be in writing and signed by the maker or drawer; (b) contain an unconditional promise or order to pay a sum certain in money; (c) be payable on demand or at a fixed or determinable future time; (d) be payable to order or to bearer, and (e) where addressed to a drawee he must be named or indicated with reasonable certainty.

2. To obtain the peculiar advan-

under the following conditions: that it is complete and regular on its face, and that he took it before maturity, in good faith and for value, and without notice of any defects.

7. A holder in due course takes an instrument free of personal defenses but subject to real defenses. *Real Defenses*, good against anyone, are such things as forgery, lack of capacity (minor), fraud in the execution. *Personal Defenses*, not good against a holder in due course, include such matters as (a) failure or absence of consideration; (b) duress; (c) fraud in the inducement; (d) illegality, unless a statute makes the contract absolutely void.

8. There are basically three kinds of negotiable instruments: promissory notes, bills of exchange, and checks. Checks are really bills of

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***"When you know you have a legal problem, or think you may have, consult your lawyer. He is the only person who can solve it for you, and even he must consider the facts of your specific situation."***

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**—Robert O. McNearney**

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tages of the Negotiable Instruments Law an instrument must be in this form.

3. *Negotiability and enforceability* are entirely distinct matters. The fact that an instrument is not negotiable does not mean that it is unenforceable. Everything else being equal, a non-negotiable instrument is just as valid and just as enforceable.

4. Generally, an instrument which contains an order or promise to do any act in addition to the payment of money is not negotiable. The Negotiable Instruments Law provides some exceptions, but wherever an instrument contains language imposing an obligation to do anything in addition to the payment of money, it must be scrutinized carefully to determine if it is negotiable.

5. The Uniform Negotiable Instruments Law has been adopted in every state. There are a few very minor variations.

6. A holder in due course is a holder who has taken the instrument

exchange, but they are drawn on a bank.

9. The essential difference between a note and a bill of exchange is that a note contains a promise by the maker to pay while a bill of exchange is a direction or order, given by the person who signs it, which orders someone else to pay. In a note, the liability of the maker is fixed when he signs and delivers it, whereas the liability of the person ordered to pay in a bill of exchange is not fixed until that person accepts it.

10. Presentment for payment and notice of dishonor. These are important considerations under the Negotiable Instruments Law, but their importance is related to the obligations of parties secondarily liable. Parties secondarily liable would be indorsers, or, in the case of a bill of exchange, the drawer. To hold such parties liable (in case the one primarily liable fails to pay), the instrument must be presented on its *due* date to the person

primarily liable, and if such person fails to pay, notice of that fact must be given immediately to the one secondarily liable. (This means that notice must be given or mailed no later than the day following the dishonor).

### SECURITY DEVICES

You are selling merchandise on credit to business houses which in turn sell your merchandise to the ultimate consumer. The important thing from the standpoint of your security is that the dealers to whom you sell are not the ultimate consumer. The problem therefore is: can you handle these transactions in such a way as to have as security the merchandise which you have sold to the dealer, that is, the dealer's stock in trade, and, if so, how can this be accomplished?

#### *Problems Are for Attorneys*

The solution is largely a legal question. It is, therefore, necessary to be familiar with certain fundamental ideas—certain legal concepts—that are involved. But let me warn you: when you know you have a legal problem or think you may, consult your lawyer. He is the only person who can solve it for you, and even he must consider the facts of your specific situation.

What are these fundamental legal concepts with which we must be concerned? I mention three. The first is the idea of holding title to something as security for a debt. A familiar example is a chattel mortgage. The second is the idea of a possessory lien. An example is a pledge—the pledge of stocks, bonds or tangible property to secure a note.

The third legal concept is different from these. It is the idea that you cannot eat your cake and have it too. The Missouri statute (Goddard v. Jones (1883) 78 Mo. 518), which has been held to embody this rule in the law of Missouri is R.S. Mo. 1949, Section 428.010, the first section of the article on fraudulent conveyances. It reads as follows:

"Every deed of gift and conveyance of goods and chattels, in trust, to the use of the person so making such deed of gift or conveyance, is declared to be void as against creditors, existing and subsequent, and purchasers."

This means that you can't take a mortgage on property and permit the

mortgagor to sell the property and keep all or part of the proceeds for his own use. In other words, the mortgagor cannot eat his cake—mortgage his property as security for a debt—and still retain it by being allowed to sell the mortgaged property and keep all or part of the proceeds for himself.

This third concept is very important. While it is derived from statute in Missouri, it is a common law rule in many other states. You can easily see how it necessarily cuts across every conceivable kind of method of obtaining security upon stocks of merchandise which in the very nature of the transaction are to be sold by the obligor in the regular course of his business.

#### *Kinds of Security Arrangements*

Chattel mortgages and conditional sales contracts have wide usage and there is a considerable body of law relating to each. Either kind of document will give a lien which is good between the parties. There are peculiarities of law in different states which make it preferable to use one as against the other. For instance, in Missouri, conditional sales contracts

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***"The mortgagor cannot eat his cake—mortgage his property as security for a debt—and still retain it by being allowed to sell the mortgaged property and keep all or part of the proceeds for himself."***

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—Robert O. McNearney

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are not used, because a statute requires the seller to refund 75 per cent of all payments made before he can repossess under a conditional sales contract.

Chattel mortgages generally are not good against third parties unless they are filed or recorded. In some states this is also true of conditional sales contracts.

You may also have a conflict of laws, if your business is in one state and the person to whom you are selling on credit lives in another state. You may find it wise to comply with the law of both states.

In any event, however, if you use chattel mortgages or conditional sales contracts, you are faced with the rule that you cannot permit the dealer to have his cake and eat it too. You have

to let the dealer sell the merchandise. That is the whole purpose of selling to him. And when you let him sell the merchandise in the ordinary course of business, your mortgage lien or conditional sales contract lien won't be any good against the purchaser. It is a general rule of law that a purchaser who buys from a dealer in the ordinary course of business takes free and clear of liens on the dealer's stock in trade. You can very easily write into the mortgage a provision that he will pay off in full before he sells any of the merchandise, but will you expect him to live up to this provision? The chances are you won't, in which case the provision won't do any good, so what can you do? As I see it you can do one or the other of two things.

#### *Account for All Proceeds*

One thing you can do is to make the dealer account for the entire proceeds of all the merchandise covered by the mortgage or conditional sales contract until you have been paid in full. This involves a great deal of handling and policing and may not be practical, but if done it will preserve your lien as against trustees in bankruptcy and creditors as to the merchandise which has not been sold in the ordinary course of business. It is easy enough for lawyers to draw up instruments, but if the parties by a course of conduct or oral understanding do something other than the instruments say they will do, the written instruments may mean nothing when an attack is made by a creditor under the doctrine of fraudulent conveyances.

There is another thing you can do, however. If you take separate chattel mortgages or conditional sales contracts on each item of merchandise sold to the dealer, then when he sells a certain item he need pay you only what he owes on the note secured by that item. If he has sold the item for more than the amount of that note, he may then retain the excess proceeds for himself. It may also be possible to draw a mortgage or conditional sales contract covering several items of merchandise in such a way that it will have the same effect as if you had taken separate mortgages or contracts on each item. That again is something to see your own lawyer about.

Two other kinds of security de-



vices widely used today in financing dealers stock in trade are (1) trust receipts under the Uniform Trust Receipt Act, and (2) liens created under so-called Factors Lien Acts. These two kinds of security devices are in many ways superior to any other method of financing dealers stock in trade. The Trust Receipt Act and the Factors Lien Act were designed for this very kind of financing. They eliminate many problems found in using other kinds of security devices which originated and developed over the years for other purposes. Under both Acts the persons who can take advantage of their provisions are defined to be lenders, and so these two methods of securing debts are available only to lenders. A Factor is defined in the Act as anyone who *advances* money on the security of merchandise.

#### Field Warehousing

The theory of field warehousing is different from any of the other security plans discussed. The other plans all involve the use of title as security, possession remaining with the debtor. Field warehousing is an application of the use of possession as security. It is a kind of pledge. Since the validity of a pledge depends upon possession, the warehouseman must actually have possession of the goods, not merely pretend to have it. The field warehouse companies take most elaborate precautions so that there can be no question but that they, and not the dealer, have possession of the goods, even though they may have established a field warehouse on the dealer's premises.

In field warehousing the difficulties involved in requiring the dealer to account for the proceeds of the sale of the property can be largely eliminated. This is for the reason that property can be released from the lien and surrendered back to the dealer before it is sold. In other words, it will not be pledged property at the time the dealer sells it.

Field warehousing is a more expensive method of maintaining a lien on a dealers stock in trade and in some respects may be more cumbersome, but it is certainly one of the most effective ways of insuring the priority of your lien against all the world.



SEVEN BANKERS have traveled 5,400 miles in the past year to attend classes of the New York Institute of Credit, in a weekly evening pilgrimage in the interest of educational progress. All are from the Union Bank & Trust Company, Bethlehem, Pa. More than 500 students took courses in 1957-58. The Union Bank representatives in the picture are: (back row, l to r) David Kidd, supervisor; Eric A. Bruce, treasurer; John J. Sheehan, auditor; John Taft, vice president; (front row) Paul G. Matus, assistant treasurer; W. H. Bellhorn, Jr., assistant vice president, and Herbert W. Schall, Jr., assistant vice president.

#### Signs 'Moderately Encouraging,' Declare Economists of Banks

Bank economists at turn-of-month were employing varied shades of phraseology in interpreting the status of the economy, but objectively they summed up in the words "moderately encouraging". While opinion shied clear of a flat statement that the bottom had been reached, most agreed that it was not far distant. As for an early upturn, the reports were not that optimistic.

Here are representative capsuled conclusions:

"Recent developments have been moderately encouraging" but "the signs cannot yet be taken as evidence that an early upturn is in prospect."—Federal Reserve Bank of New York. And this: "Despite the uncertain outlook, the signs of a 'bottoming out' should not be disparaged."

First National City Bank of New York.

"For the first time since last fall, major business indicators are showing signs of stability and a few gains as well as losses."—Federal Reserve, Cleveland.

"Increases in some sectors are now offsetting, in part, decreases elsewhere."—Chicago's Federal Reserve. And the following, more conservatively, from the analyst of the First National Bank of Chicago: The "widening gap between output and sales eventually must be halted, with consequent stimulating effects on the economy."

The economist of Guaranty Trust Company of New York warns: "Business recessions pass away, but debased money and entrenched bureaucracy tend to remain indefinitely."

#### Hold On to Those Expense Receipts

Executives had best not jump to any hasty conclusions about the proposed changes in expense account recordkeeping, in connection with income tax. "The new regulations are indeed only a proposal," cautions *Modern Office Procedures* magazine in a special article, adding that "the proposed law does not wipe out all reimbursed expense account reporting problems. As a matter of fact, expenses may still have to be reported exactly as 1957 rulings required." Substantiation will be difficult unless detailed records are kept, notes the article.

**ROBERT O. MCNEARNEY**, of the law firm *Thompson Mitchell Thompson & Douglas*, received both his B.A. and L.L.B. degrees from *St. Louis University*, where for nine years he has taught courses on negotiable instruments and other financial subjects, in the evening school of commerce and finance.

Mr. McNearney is counsel for the Bank of St. Louis, General Contract Corporation, Jefferson-Gravois Bank, Baden Bank, and Normandy State Bank.

The article herewith is from his address before the National Food Equipment Manufacturers Group.



in commerce

# Trends

in industry

in finance

## Tip for Fraud Prevention

A CHECK signature written with a ballpoint pen can be lifted from any kind of paper by rubbing ordinary waxed paper over the signature with any hard material. The ball turns in oil for satisfactory functioning; the oil dissolves the wax.

If the signature is covered with scotch tape and the latter is lifted, the name will come with it. Dissolving the tape with heat leaves the carbon—and an exact duplicate name.

Says *The Controller*: "Do not use the same signature for checks that you use for letters or other documents."

## Executive Earnings Up

EARNINGS INCREASE of nearly 6 per cent over 1956 made by the average business executive in the middle management category is a conclusion of the American Management Association's survey of 6,000 executives in 239 companies in the United States and Canada. Three-fourths of those in the survey had salary increases.

## Money Availability

MONEY is available to both small and large businesses that follow sound financial practices, says Thomas W. McMahon, Jr., vice president, The Chase Manhattan Bank, in "Financing and Financial Management in the Smaller Company," article in the General Management Series of the American Management Association. Mr. McMahon summarizes findings of the credit policy commission of the American Bankers Association. Banks themselves, he points out, are for the most part small business, with all but 2,775 of the 14,275 banks in the country having total deposits of less than \$10 millions.

Mr. McMahon also summarized

the deductions of Paul Bonham in an article in *Harvard Business Review*, quoting Department of Commerce statistics, who said that most small companies having difficulty in obtaining additional funds actually needed more equity money but were mistakenly trying to finance their growth with debt money.

In a survey by the National Association of Manufacturers, Mr. McMahon noted, only 19 per cent of small business respondents failed to obtain funds when needed, whereas 23 per cent of larger companies had the same experience.

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*"The only thing that doesn't become smaller when it is contracted is a debt."*

—Louisville Times

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## Farm Finances

DESPITE the postwar trend of weakening agricultural income, the valuation of farm assets is at a record high, and the farm proprietor's equity in these assets is also at top figure, say analysts of the Federal Reserve Bank of Cleveland. Assets, they believe, have advanced faster than liabilities. Machinery assets have increased at a much more marked rate since 1940 than land and buildings, but the absolute gain of real estate is far larger because of the smaller relative importance of machinery in total assets.

## Discouraging Investments

UNDUE DISCOURAGEMENT of business investments is a possibility unless the general restraints on credit in the United States are soon relaxed, the Organization for European Economic Cooperation said in its annual report on the United States economy. The report, released in Paris, em-

phasizing the time lag between formation of credit policy and its long-range effect on investments, suggested the problem become one of preventing depression rather than checking inflation.

The organization's analysts predict price rises will be less widespread or marked in the immediate future than was the case in the last year and a half.

## Union Dues \$620 Millions

INCREASE of \$162 millions in annual dues of labor unions since 1955 has brought to \$620 millions the yearly income to unions with headquarters in the United States, says the National Industrial Conference Board. Forty-five of the 191 unions in the survey, with 18,350,000 members (the million of them outside the United States are practically all in Canada), have boosted dues in the last two years.

National and international unions, which get their revenue from per-capita taxes on local union members, increased their income \$25 millions in the period.

## Women in Business

WOMEN have accounted for most of the growth in employment since 1940 and particularly since 1954, in the opinion of economists of Cleveland's Federal Reserve Bank. More than one-third of all women working are in secretarial, clerical and sales fields, contrasted with 5 per cent in 1890. Today only one out of ten women is likely to have had no work experience outside the home.

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*"Everything is possible"  
was the executive's motto  
... until the day he tried to  
get something done during  
a coffee break.*

—S. L. Workman

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# New Approach Speeds Direct Mailing And Cuts Overall Costs by One-Third

**I**F you've been doing a job the same way for five years or more, chances are there's a better way of doing it. That's why we make it a point to keep ourselves up to date on developments in many different lines of business." The principle, expressed by Dow Chemical Company's printing department supervisor, Donald A. Hawkins, is more than a personal opinion; it is a matter of basic policy at Dow, a leading manufacturer of chemical products.

"This approach, applied to the company's direct mail operations, has paved the way to a one-third reduction in overall costs and greater speed and efficiency than we had ever enjoyed," notes Mr. Hawkins. Application of Addressograph-Multigraph electronics developments has enabled Dow to streamline its extensive lists, "keep them up to date despite an average of 14,000 changes a month, assuring immediacy and accuracy, key to employee and customer relations, sales and profits."

## Public Relations' Crossroads

As in most business organizations, the direct mail section of Dow's printing department in Midland, Mich., is a crossroads for vital sales promotion and managerial activity. Advertising, public relations, internal communications, all make urgent demands on the speed and accuracy of mailing. With a sixfold increase of business in the last decade, Dow now has a mailing list of 350,000. This is divided into three major categories: employee mailings, public relations and advertising.

Public Relations—Grouped under this head are seven publication mailing lists. The largest is the *Dow Diamond*, a quarterly, mailed to 30,000 employees and stockholders, industrial plants, freelance writers, libraries, educators, and colleges.

Six additional publications with list volumes ranging from 8,500 to 72,000 are also mailed on bi-monthly and quarterly cycles. These publications are sent to selected industry classifications such as lumber dealers and construction companies, airplane and truck body manufacturers, agri-



**ADDRESSING.** Publications, folders, broadsides, envelopes, cards and other mailings of Dow Chemical are addressed from master tape on Addressograph-Multigraph Model 830 transfer printer at speeds up to 9,500 an hour, says the company, an important factor as Dow has a mailing list of 350,000.

cultural agencies, shipyards, dry cleaning plants, plumbing supply distributors, highway maintenance departments, colleges and many others. These publications are in effect trade papers, designed to keep customers and prospects informed.

Advertising lists are used primarily for product folders, ad reprints, personalized letters and similar mailings of material classified as a "selling tool." Also included are three schedule publication mailings, one to lumber dealers and construction companies, another to agricultural chemical dealers and distributors and a third to food processors, packagers, wholesalers and industrial manufacturers.

Employee lists include internal communication bulletins, memos, notices, fliers and other material sent to Dow personnel. A key list in this category is the "D" File containing the names of 3,800 Dow management people.

Approximately three years ago, the direct mail section found itself confronted by a number of major problems. Established procedure, though taking full advantage of the most

modern equipment and most efficient methods available at that time, no longer offered maximum benefits.

A grand total of 175 basic list classifications, combined with frequent activity, had made selection from a single master list too slow a procedure to be practicable. Consequently, a separate list was maintained for each of the various classifications. This meant that a single name might be repeated again and again from one list to the next.

Occupying 2,900 square feet of floor space, the direct mail section was crowded with files housing various lists. Twelve persons worked in the mailing section, three of them devoting their entire efforts to the maintenance of a card index file which served as a cross-reference master list control.

Dow had been following current A-M Electronics Developments closely for a considerable period of time. Applying the principle expressed by Mr. Hawkins, the company called in the local Addressograph-Multigraph electronics representative. A new approach to streamlining the existing mailing procedure was mapped

out and studied. Ultimate result was the establishment of a system which enabled the direct mail section to merge its many lists into one.

The cross index file was eliminated. Duplication of names ceased. Whether an individual was scheduled to receive a single publication or ten different publications, one typewritten punched card, bearing his name and address, became all that was needed to do a job which might formerly have required ten or more individual addressing units. An over-all one-third reduction in list maintenance requirements was paralleled by a reduction in floor space by 829 square feet.

Key equipment in making these benefits possible consists of:

- One Addressograph-Multigraph Electronic Printer, Model 851
- Two Addressograph-Multigraph Transfer Printers, Model 830
- Two Electric Typewriters
- Two IBM Key Punches
- One IBM Verifier
- One IBM Sorter
- One IBM Collator

#### *A-M Electronics Principle*

The master record under the new system is a typewritten punched card, inexpensive, compact, providing maximum legibility for file reference.

When a mailing is to be made, an electrical impulse selects the names from the file. A beam of light brings them to life, transcribing the typewritten data the cards bear to a master tape which transfer-prints the name and address directly onto the envelope or mailing piece. The entire operation is accomplished with lightning speed and an absolute minimum of clerical effort.

Present procedure in list maintenance is as follows:

**Notification of a change**—Addition, correction, or deletion of a name on the mailing list, is forwarded to the Direct Mail Section.

**Additions**—The change is noted on a record sheet for tabulation. The change notification slip is then sequenced with others in city-state alpha order and checked against the master card. If the name is not in file, city-state code is transcribed onto the slip from another card in the same town. The slip is then turned over to the key punch operator. A tabulating card is punched, translating the information from the notification slip into punched hole codes. After machine verification, the card is turned over to a typist who types

name and address on it. Now completed, the card is filed. Cost per addition as opposed to the previous method represents a 22 per cent reduction.

**Corrections**—The old card is pulled from the file. A new card is typed. Unchanged coded data is mechanically reproduced from the old card onto the new. Changes in coded data are then key punched into the new card. Cost reduction as compared to the previous system: 37 per cent.

**Deletions**—The old card is simply outfiled and discarded. Cost reduc-



**LIST MAINTENANCE** at Dow Chemical. New cards are key-punched for automatic selection.

tion as compared to the previous system: 50 per cent.

The true significance of these savings can best be appreciated in light of the fact that the average annual number of changes is 170,000 or almost 50 per cent of the total list.

#### *Mailing Procedure*

In making a mailing, cards are selected and outfiled at high speed via the punched card sorter. Outfiled cards are fed into the Addressograph-Multigraph Electronic Printer which photoelectrically scans the typewritten data on each card and facsimile-prints names and addresses onto a Transfer Master tape.

This Master is a  $\frac{7}{8}$ " wide roll of paper backed by carbon ribbon to produce a mirror image on its reverse side. The Transfer Master is automatically fed into the Addressograph-Multigraph Transfer Printer into which unit forms . . . publications, brochures, folders, envelopes . . . are also automatically fed. By means of a unique thermo-pressure process, names and addresses are

transfer-printed from the master onto the unit forms. As a parallel operation, the imaged punch cards are quickly and easily refiled via punched card collators.

A variation of this procedure makes additional savings possible when employee mailings are processed. Since personnel records are maintained on punched cards by the personnel department itself, a vertical transfer master can be imaged as a by-product of standard tabulator listing operation. This master is then forwarded to the direct mail section where it is automatically fed into an A-M Transfer Printer equipped by a continuous form feeder for vertically listed rather than serially printed horizontal master.

Thus, unit mailing pieces of all conventional sizes are direct-print addressed at speeds of 6,000 to 8,000 per hour.

Says Mr. Hawkins: "Of the many benefits which are part of the A-M Electronic era in our direct mail section, none is more important than the ease with which we now keep our lists up to date. File maintenance is mechanized and simple. Total cost is low. The key means of maintaining contact with markets are boosted to peak effectiveness."

#### **Build for the Period of Growth to Come: Welman**

Cautioning against "too rapid expansion of postponable Government expenditures" and "too drastic tax cuts" to combat the business recession, Joseph C. Welman, president of the American Bankers Association and president of the Bank of Kennett (Missouri), sees the economic future affected by what we do now.

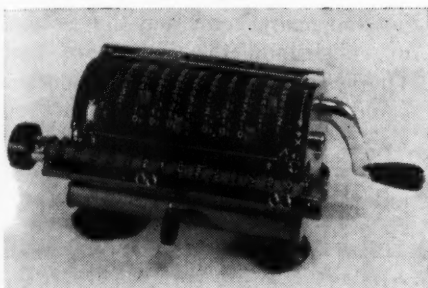
"This present period may very well be one in which we can and should condition ourselves and build a sound base for the period of expansion and growth in the 1960's" predicted by many economists, said Mr. Welman. "Unlike some of our other periods of economic difficulty, there is one outstandingly bright spot in the economy today. That is a strong, virile and aggressive banking system, enjoying the confidence of the public, business, industry, labor, and the government." Adjustments in reserve requirements and realistic treatment on reserve for bad debts would place the banking system in position to assist the economy further, he said.



# Modernizing the Office

*New Equipment to Speed Production and Reduce Costs*

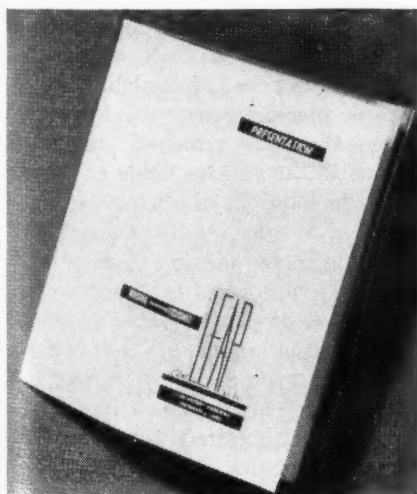
## Featherweight Calculator



506—**PRODUX - MULTATOR** calculator unit Model 102/58 measures only  $3\frac{3}{4} \times 4\frac{1}{2} \times 9$ ", weighs only 4 lbs., yet it performs addition, subtraction, multiplication and division. Device is simple to operate and full instructions are included. Capacity is 10 x 5 x 15 digits. Of West German manufacture, unit is sturdily constructed and carries one-year guarantee, says distributor Silver Bells Ltd. Setting levers in three colors, revolutions counter, one-stroke cancellation handle and suction-cup feet are additional features.

## Presentation Cover

507—**JIFFOLD-IMMACULATE** Presentation Cover answers need for an inexpensive yet tailored means of presentation for reports, quotations and the like. Made of single sheet of 70# white vellum paper folded to form a cover of double thickness for  $8\frac{1}{2} \times 11$ "



paper, it holds within it up to 30 sheets of 16# paper. Stapling or wire stitches are ingeniously concealed. Finished form is put together in seconds. Product of Clint Leap, Inc., it lies flat; files without bulk. Sample, description and discount prices on request.

## Inkless Duplicator

508—Feature of the fully automatic **FORDIGRAPH MODEL 100A** Inkless Duplicator is that fluid can be fed directly from the stowaway container in which the fluid is purchased, eliminating filling, pouring, spilling



or soiling. User simply connects the suction hoses with the container. Portable, yet the Fordigraph is equipped to handle any job from postcard to legal size; will deliver up to 500 copies each in as many as five colors in one operation, notes manufacturer Fordigraph Corporation of America. Automatic paper feed, fluid control for bright copies, resettable copy counter are other features of the  $26\frac{1}{2}$  pound unit.

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*This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Please address **MODERNIZING, Credit & Financial Management, 229 Fourth Ave., New York 3.***

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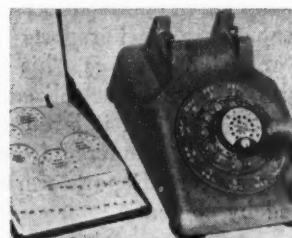
## Ink-Pencil



509—"Two miles of smooth writing" are guaranteed by Fisher Pen Company, for its ball-point **INK-PENCIL** which features a quickdrying, no smudge non-fade ink, and choice of standard, fine or extra fine points. Made of brightly colored injection molded plastic, the low-cost Ink-Pencil is designed to be discarded when dry and can be replaced as complete unit at a cost comparable to a standard refill.

## Phone Number Selector

510—To end number hunting, or forgetting them while dialing or calling wrong numbers, the **PHONE-OMATIC** Phone Number Selector device of Dial Direct Dex fits over the telephone dial; you see each number as you dial local or long distance calls. Simply select the indexed number disk from its flip-top box, place it in the center ring on the phone and dial each figure as it appears. Attractive ebony black-and-gold index box holds over 180 phone numbers.



## Office Information Center Serves as Port of Missing Files, 'Stashed' Data

**D**ESPITE automation, business today is in need of much organized information not available on tabulating cards and tapes. It is the kind of data stashed away in some executive's desk drawer and unknown to others. Or it may be a report lost in file because it has not been properly indexed. It may even be valuable information outside the office to which the firm could have access.

To top management the lack of organization of this information is a costly luxury. The prediction is that research will be doubled by 1965. More and more information unclassified and uncoded will put an intolerable burden on businessmen who need concrete knowledge made instantly available if they are to keep their firms in the forefront.

### Information Center Needed

An information center is the answer. It should include the technical files: the company's own research reports and those made to customers, correspondence of a technical nature, memos, policy and procedural manuals, organization charts, and sometimes patents. Included also are data generated from outside: reports from the government, from other companies or professional societies; clippings from technical magazines; and books. The business library should be a vital part of an information center.

The various types of data to be included in the information center may be in physical proximity, or the library, subject files and patent files may be in various locations, even on different floors. A card index is the unifying factor.

In one such installation, established by Record Controls, Incorporated, for the large engineering department of a nationally known electrical appliance manufacturing concern, the circumstances will find a counterpart in many businesses.

It was necessary first to gather the correspondence and reports which each engineer kept as "his own." This material was centralized, each in its own unit, and indexed so that service could be rendered from it to all the engineers. Reports were card-indexed by content.

The next step covered the hundreds of technical magazines which came to one engineer or another, often not read thoroughly if at all, for lack of time. Moreover, ten or even more copies of the same publication were addressed to different men, at considerable expense to the company. These magazines also were gathered up in the information center and read carefully as they were received. A resume now is written for the weekly news letter which goes to each engineer so that he can select for review such magazines as are of particular interest. The issues remain on the shelves a year, after which the marked articles are clipped and filed by subject content.

Eventually the books scattered around the department were correlated with the other material in the information center and arranged on the shelves according to the Dewey

executive department of a concern where the offices are physically in different locations. The index will cover such subjects as Taxes, Budgets, Insurance, Forecasting, Personnel and will indicate where the data are located and in what form.

In its simplest form the cards in the index are arranged in alphabetical order according to the topic heading chosen. This system, however, is acceptable only if there are not too many items and the number of calls upon the index are few. The system implies that the indexer could predict how the material would be called for. Long experience is required to be an acceptable indexer.

### Machine Indexing

With the advent of large volumes of technical data, machine searching systems have become a necessity. To prepare for this, machine indexing terms are chosen. To control these terms, every field such as Chemistry is broken down into categories, as properties, uses, materials, functions,

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***Because women don't think like men, they don't buy like men.  
There is more connection between biology and buy-ology than  
most people realize.***

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—Anonymous

Decimal system. These are classified by author, title, and subject in a card file. The information center of this company is now in the hands of an experienced librarian who orders new books and magazines, accessions them and sees that they are routed. Supervision and indexing of blueprints has been added to his duties. The librarian maintains a close relationship with technical libraries in the area.

The key to this information center is in the card indexes arranged in alphabetical sequence by subject content. Theoretically one index would be advisable, but this is not always feasible. From the index or indexes it can be learned whether the desired information can be found in report form, in a file, in a recent magazine, in a book, or whether something on the subject is available in all these various sources.

**A coordinated index need not be confined to an engineering department. It is just as feasible for the**

or products. The number of items assigned to each paper varies from five up. The link between what the searcher needs and what is available is provided by these terms.

The wanted paper or papers are identified through coincidence of two sets of circumstances. Identification may be accomplished by means of a needle run through cards and lifting out certain cards with notches, by-passing those not so notched. Light through a deck of cards is another means of matching. Electronic machines are used for searching through punched tabulating cards in the various fields of science, instrumentation, medicine, and patents.

"Machine Indexing Terms" and "The Trend toward Information Centers," two brochures giving additional information about the subject, are available from Record Controls, Inc., which has performed similar assignments for hundreds of large and small companies.

# ON THE Personal Side

**WILLIAM M. EDENS** has been advanced to second vice president of Continental Illinois National Bank & Trust Company, Chicago. He formerly was assistant controller. Mr. Edens is past president of the Chicago Association of Credit Men.

**HARALD RASMUSSEN**, credit manager, The Emerson Drug Company, in Baltimore, has been transferred to the offices of the parent company, Warner - Lambert Pharmaceutical Company, in Morris Plains, N.J.

**TED NEWMAN**, sales representative in the raw materials division for eight years, has been named credit manager, The California Ink Company, Inc., San Francisco. He succeeds A. R. Goggin, who has been promoted to personnel manager. Before going with Cal Ink, Mr. Newman had been collection manager for other companies.

**DAVID FERGUSON** has been appointed controller of Copperweld Steel Company, Pittsburgh. A certified public accountant, Mr. Ferguson had been with Haskins & Sells before going with Copperweld in 1945.

**ROBERT D. HILL**, formerly treasurer, has been advanced to vice president-finance, Fruehauf Trailer Company, Detroit. **FRANK DESHON** has been promoted to vice president-general manager of Fruehauf Trailer Finance Company, a wholly owned subsidiary. Mr. DeShon began with Fruehauf Trailer in 1936 and had been manager of credits and collections since 1946.



R. D. HILL



F. DE SHON

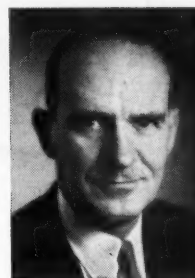
**CHARLES F. BENBOW** has been promoted to credit manager, R. J. Reynolds Tobacco Company, Winston-Salem, N.C. He began with the company in 1947 as credit correspondent and advanced to assistant credit manager in 1948, to assistant secretary in 1956. Mr. Benbow holds the Executive Award of the NACM Graduate School of Credit and Financial Management, Dartmouth.

**ROBERT J. HINTZ**, advanced to credit manager, The Detroit Free Press, continues as assistant auditor in charge of the advertising collections and accounts receivable departments. Mr. Hintz began with the Free Press in 1952 as assistant credit manager and assistant auditor.

**CHARLES W. DEVAN** has been appointed vice president of California Bank, Los Angeles. From the First National City Bank of New York, Mr. Devan in 1941 went with American Smelting & Refining Company, becoming Pacific Coast credit manager before going with Maxwell House Coffee, Division of General Foods. He had most recently been with L. F. Dommerich & Co.

**HAROLD E. HITE**, formerly office and credit manager, has been appointed auditor, Marshall Durbin & Company, Inc., Birmingham, Ala., a national organization which also operates in Puerto Rico. Mr. Hite, who began as bookkeeper in 1937, has been with the company ever since except for the period 1942-45 when he served with the Air Force finance department as property auditor.

**KENNETH W. HULTGREN** has been advanced from general credit manager to treasurer and controller of Roddis Plywood Corporation, Marshfield, Wis. He succeeds C. H. Blanchard who has become president of the company. H. A. Halberg, formerly assistant to Mr. Hultgren, has been made credit manager.



W. M. EDENS



C. F. BENBOW



TED NEWMAN



R. J. HINTZ

**FRANKLIN E. TRUAX** has been named vice president of First National Bank, St. Paul. He had been president of First Security State Bank, an affiliate organization. Mr. Truax is a director of the St. Paul Credit Men's Association.

**WALTER YOUNGHANS**, formerly assistant vice president, First National Bank of St. Paul, has been named to succeed Mr. Truax as president of First Security State Bank.

**JAMES V. McLAUGHLIN**, former assistant treasurer, has been appointed treasurer, American Mineral Spirits Company. He takes over the office of George H. Schulz, who has become senior vice president, and he will continue to make his headquarters at the general eastern offices of the company at Murray Hill, N.J. Mr. McLaughlin began with the company in 1938 and has supervised credit matters for many years. He is a director of the American Petroleum Credit Association.

**EDWARD J. REILLY** has been named general credit manager, Montgomery Ward & Company, Chicago. Previously he had been director of sales finance, Beneficial Finance Corporation.

**JOHN C. ANDERSON** has been appointed controller, Vickers Petroleum Company, Inc., Wichita, Kan. He is in charge of the newly formed controller division under the direction of Thomas F. Dowd, Jr., vice president, finance.





## Legal Rulings and Opinions

### Statute of Limitations Ruling

Six years after a check had been issued, the drawer discovered that the indorsement had been forged. He claimed that the date of the beginning of his present suit did not accrue until his discovery of the facts establishing the forgery and therefore the six-year statute had not run.

The supreme court of Wisconsin held otherwise, said the cause of action accrued when the depositor received a statement and canceled vouchers from the bank, even though the depositor did not discover the facts establishing forgery until later.

Refusing to find fraud and therefore holding that exception to the statute of limitations was not available, the Court stated:

The bank's statement to the depositor "may fairly be construed as a notice that any claim the depositor may make in excess of the stated balance would be resisted by the bank. And in that view of the situation the depositor's formal demand for a larger sum and the bank's refusal to pay a larger sum would be unnecessary to perfect the depositor's cause of action, and likewise to set in motion the statute of limitations." (*Peppas v. Marshall & Ilsley Bank*, 86 N.W. 2d 27 (1957)).

### States' Police Power

The states have police power to prohibit picketing in many specific cases if investigation of conduct and purposes of the picketing shows such prohibition is proper, the U.S. Supreme Court ruled.

When a non-union company operating a gravel pit in a Wisconsin town asked the courts to prohibit picketing by union representatives,

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*"The formula for success is simply putting the right people in the right jobs and then sitting on the sidelines and being a darned good cheerleader."*

—A. Marshall Jones

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the Wisconsin courts did just that, on the ground that under definition of the state law no labor dispute existed. The U.S. Supreme Court upheld the state ruling.

### Draft Return Delayed

When a drawee bank failed to return a draft within the statutory 24-hour period, it became liable for the face amount, the court of civil appeals of Texas ruled in *State Bank v. Fulcher*, 296 S.W. 2d 953.

### Restrictive Check Funds

Under Tennessee law, when a bank accepted checks payable to its depositor's employer and indorsed by the employer 'For Deposit Only', the bank acted at its peril and was liable for amounts which the depositor failed to remit to the employer, stated the court of appeals for the sixth circuit. The employee said he had remitted to his employer the proceeds of all the checks in question. The evidence showed that the company had sustained a loss totaling the amount of the checks, and the bank failed to show that the company had received the proceeds. There had been no estoppel action. (*Exchange Bank v. Kraft Foods Co.*, 235 F. 2d 118).

### FTC Policy Upheld

The Federal Trade Commission need not employ an industry-wide basis in actions against discriminatory prices, the United States Supreme Court held, in a unanimous decision that leaves the commission free to bring charges of illegal pricing against an individual company, without moving against similar practices by its competitors. The ruling, in cases involving Moog Industries, Inc., of St. Louis and C. E. Niehoff & Co., Chicago, followed a decision by a lower Federal court which in effect had stated that the commission must proceed against all violators in an industry or none.

In another decision on pricing, the high court held that Standard Oil Company (Indiana) had acted in "good faith" to meet competition

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*"See how the mass of men worry themselves into nameless graves, while here and there a great soul forges himself into everlasting immortality."*

—Ralph Waldo Emerson

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when it offered lower prices to selected gas stations. The Federal Trade Commission had argued that such a ruling would "virtually nullify" laws against price discrimination.

### Negotiability of Note

A conditional sales agreement attached to a promissory note by a perforated piece of paper did not affect the negotiability of the note, the court found in a case involving operation of the Negotiable Instruments Act. The loan company had sold the note to a motor company and the customer defaulted. The court followed an opinion of the Florida supreme court that, so far as negotiability was concerned, "we see no reason why the concurrent execution of a retail title contract, or similar instrument, along with a promissory note for the balance... should enter into the picture." (*Certified Motors v. Nolan Loan Co.*, 122 A. 2d 227).

### Bottler Held Liable

A woman was carrying home several bottles of soda she had bought in a grocery store. Flying glass cut her left leg when one or more of the bottles exploded. She was hospitalized five days, out of work seven. She sued the bottler and the jury awarded her \$3,000 damages. On appeal the judgment was affirmed. (*Florence Bottling Company v. Sullivan* (Alabama '53) 65 So. 2d. 169.)

### Oil on Walk, Plaintiff Wins

A store's driveway had oily matter on it where it crossed the sidewalk. A woman slipped and was injured. The jury awarded her \$3,000 in damages. The appellate court, affirming, pointed to evidence that the oily substance had been on that part of the driveway an hour and 45 minutes before the accident. (*Sears Roebuck & Company v. Meyer* (U. S. '53) 205 F. 2d. 321.)

# Guides to Improve Executive Operation

## KEEPING INFORMED

### WHAT'S HAPPENING IN BANKRUPTCY

—Complete text, with charts and tables, of the address by Edwin L. Covey, chief of the Bankruptcy Division of the Administrative Office of U.S. Courts, Washington, at the 62nd Annual Credit Congress in Detroit, is available from Credit Research Foundation, Inc., National Association of Credit Management, 229 Fourth Ave., New York 3, N.Y.

**NRB MANUAL OF SUCCESSFUL BUSINESS WRITING**—1248 tips on writing business letters for all purposes. By Maxwell C. Ross. 280 pages. \$15.95. The National Research Bureau, Inc., 415 N. Dearborn St., Chicago 10, Ill.

**DIRECTORY OF AUTOMATIC MERCHANDISING**—The 1958 edition lists vending machine manufacturers by type and alphabetically with addresses, vendible products suppliers

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*Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.*

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by product and alphabetically, and manufacturers and suppliers of component parts and services. Editorial features include "Trends in Vending," a field which now includes diverse services such as shoe shine machines, insurance policies and postcards. 180 pages; hard cover; profusely illustrated. Price \$4.50. Published by National Automatic Merchandising Association, 7 So. Dearborn St., Chicago 3, Ill.

**CONSUMER CREDIT DEPARTMENT OPERATIONS**—164-page manual designed to assist banks in setting up new programs and to aid those having established departments to appraise their operations. Various systems and procedures are described. Illustrations are included. Available from National Association of Bank Auditors and Comptrollers, 38 So. Dearborn St., Chicago 3, Ill.

(Continued on page 28, col. 1)

*To expedite receiving booklets described below in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Fourth Ave., New York 3, N. Y.*

## EFFICIENCY TIPS

690—"The Truth about Office Copying Machines", 8-page factual guide in selection of office copying machines, answers typical questions asked about advantages and disadvantages of various types on the market. Illustrated. Copease Corporation offers it free.

691—Over 100 illustrations of "Boardmaster" Visual Control Board applications in sales, production, inventory, other business areas, are shown in free booklet of Graphic Systems.

692—How a manufacturing company eliminated ordering and shipping bottlenecks with Teletype installation is described in brochure of American Telephone & Telegraph Co. Bell System.

693—Brochure in color illustrates Rovico "Fotomate" photocopy machine and describes types of papers and films available.

694—"Piggy Back" Punched Card Electronic Checks—side stub or top stub—are available on Lithostrip Continuous Forms of American Lithofold Corporation. For details write us.

695—Samples of "Regent-Master" preprinted Paper Stencil for use on any make of spirit duplicator, are offered by Regent Press.

696—New catalog and price list of Robert John Company line of modular office furniture of fine woods and metals, includes conference tables, suspension files, wall cases. For your copy, write us.

## BOOK REVIEWS

**HOW TO SOLVE MANAGEMENT PROBLEMS**—by Charles A. Cerami. \$4.95. Prentice-Hall Inc., 70 Fifth Ave., New York 11, N.Y.

• Since the ability to solve problems is the measure of value of management, or departmental managers, or individuals, everyone responsible for making decisions can benefit by this book, which presents time-tested and widely accepted principles in a new and original formula for solving perplexing problems. Based on six easy-to-master steps that invariably add up to the best course of action in handling difficult situations, the author tells how to attack and resolve cases that seem to resist logical analysis, whether in human relations, financial or group cooperation, with suggested special techniques for pressing situations. A stimulating book.

**SAMPLING TECHNIQUES IN ACCOUNTING**—Robert M. Trueblood and Richard M. Cyert. 211 pages. \$7.50. Prentice-Hall, Inc., 70 Fifth Ave., New York 11, N.Y.

• After brief non-technical explanation and evaluation of various statistical sampling concepts in both ac-

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*Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your bookstore or direct from the publisher.*

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counting and auditing, the authors present case applications to everyday business in a scientific approach to this methodological area of technological changes in financial management controls.

Most attention is given to actual cases, covering such subjects as inventories, confirmation and ageing of accounts receivable, reduction of clerical costs, control of labor performance, LIFO, inspection of department store billings, and a survey of Air Force internal audit procedures.

(More Reviews on p. 28, col. 2)

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## KEEPING INFORMED

(Concluded from page 27)

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born St., Chicago 3, Ill. Price \$3 each to NABAC members; \$6 to others.

**"10 SPECIFICS FOR AILING MEETINGS"**—Measures to make meetings more effective are outlined in "Grey Matter," advertising agency bulletin. Despite gripings and gropings, the meeting represents a good form, often the best one, of organizational communication, notes the bulletin. Free. Write Grey Advertising Agency, Inc., 430 Park Ave., New York 22, N.Y.

**HUSH-A-PHONE**, a patented device attachable to any type of telephone, gives the privacy of a phone booth. Valuable for confidential conversations and to eliminate errors due to noisy surroundings. For literature, write Hush-A-Phone Corporation, Dept. CFM, 65 Madison Ave., New York, N.Y.

**BREAK-EVEN POINTS, HOW TO FIGURE AND USE THEM**—SBA Management Aid for Small Business No. 37, explains what these are made up of, how they can be used in making sales and marketing decisions. Illustrated with charts. 4 pages. Free, from Small Business Administration, Washington 25, D.C.

**AUTOMATIC DATA PROCESSING**—15-page brochure, attractively illustrated, describes range of activities of this professional management consultant organization which specializes in business use of automatic data processing. Problem definition, system study, personnel training, equipment specification, programming aid, installation improvement are discussed. For free copy, write John Diebold & Associates, Inc., Dept. CFM, 40 Wall St., New York 5, N.Y.

**PEOPLE AND PAYCHECKS** frankly reviews pay plans evolved by Standard Oil Company of California from 35 years of experience. Includes details of job descriptions, methods of job evaluation, design of pay structures, foreign service pay, administration of pay plans. Intended for use in Standard of California family of companies, it also will be of interest to individuals and organizations concerned with pay administration. For copy, write Standard Oil Company of

California, Public Relations Dept., 225 Bush St., San Francisco, Calif.

**FINANCE LEASING PLAN** brochure outlines advantages of program for management and leasing of fleets of passenger autos, trucks, construction equipment, materials handling equipment and other mobile units. Write Commercial Credit Corporation, 300 St. Paul Place, Baltimore 2, Md.

**THREE TYPES** of distribution research programs carried out by many Federal agencies are discussed in a 60-page booklet published by the U. S. Department of Commerce under the title, "Activities and Services of the Federal Government in Distribution Research." 40 cents each. Available from Government Printing Office, Washington 25, D. C., or through field offices.

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## BOOK REVIEWS

(Concluded from page 27)

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**AN APPROACH TO EXECUTIVE CONTROLS THROUGH PROGRAMMING AND BUDGETING**—W. O. Reeder. A few of the many factors discussed are decentralization, understandable financial terms, simplicity of budgeting, research and product analysis, timing of tasks, costing, checks and balances, credit and the use of accrual sales forecast, raw materials costs, inventory, reporting system, and responsibility. The monograph is both textbook and practical guide to company management. \$1.00. Business research center, College of Business Administration, Syracuse University, Syracuse 10, N. Y.

**MATHEMATICS OF FINANCE**—by T. Hoyle Lee, \$7.20. Richard D. Irwin, Inc., Homewood, Ill. A practical study, not only for the student of commerce and business administration, but also for business executives desiring a better understanding of financial transactions dealing with simple interest, bank discount, compound interest, logarithms, annuities, and their applications to business and finance. Applications are also given to amortization, sinking funds, bonds, depreciation, perpetuities, and capitalized cost.

**THE NEW ART OF SELLING**—By Elmer G. Leterman. \$3.95. Harper & Brothers, 49 East 33rd St., New York, N.Y. A stimulus of practical suggestions, ideas, sound advice, practical selling tips and creative imagination as well as a treasure chest of stimulating, challenging ideas, and tested, practical techniques of selling.

**THE INVESTMENT DECISION**—By John R. Meyer and Edwin Kub. \$6.00. The Harvard University Press, Cambridge, Mass. A Harvard Economic Study of the actual ex-

penditures of manufacturing firms for new plant and equipment, under varying business conditions, resulting from observations of 600 manufacturers in the postwar years 1946-50. Presents effective tests available on a variety of theories about capital accumulation, influence of business policies and economic growth and business cycles.

**CONSUMER PROBLEMS AND PERSONAL FINANCE (Second Edition)**—By Arch W. Troelstrup. \$6.00. McGraw-Hill Book Company, 330 West 42nd St., New York 36, N.Y. With material from the fields of psychology, economics, nutrition, government, sociology, and homemaking, this book is designed to train college students and adults in consumer spending, saving and personal finance, for more effective personal, family, and group living.

**HOW TO GROW IN MANAGEMENT**—By James Manzi Black. \$4.95. Prentice-Hall, Inc., 70 Fifth Ave., New York 11, N.Y. This book is a "road-map" for the man who wants to advance in management. It outlines basic principles that successful executives have followed, covering four parts: (1) The Broad Principles of Leadership, (2) An Analysis of the Human Relations Factor in Executive Ability, (3) Decision-Making, and (4) Communications. It concludes with two self-evaluation tests. Each chapter has summary and check-chart.

**THE OLD FARMER'S ALMANAC 1958**—Number 166 of continuous annual publication since the original Robert B. Thomas Almanac. All the old familiar and valued context, plus such new features as Map of the Seasons, How to Tell Time by the Fiddler Crab. 35 cents. Yankee, Inc., Dublin, N.H.

**BOAT FINANCING** is a manual for lending institutions handling consumer paper in a rapidly expanding market of pleasure craft users ("20 million weekenders take to the nation's waterways"). Discussed are acquisition of boat paper, plan of operation, comparative plans, retail financing, whole floor plan, laws, insurance, collections. 82 pages plus an appendix replete with forms. \$5.00. Write the author, R. Zapernick, Assistant Secretary, County Bank and Trust Company, 129 Market St., Paterson 1, N.J.

**BARUCH-MY OWN STORY**—In his autobiography, Bernard M. Baruch, 87, follows a precept which helped him become a millionaire before he was 35. It was this: don't overplay your hand. One reason the book is racing through record sales is that the capitalist-philanthropist underplays the telling of an amazing career that included counsel to seven U.S. presidents. The very home-spun, anecdotal approach lends intense readability to each of the 337 pages. \$5.00. Henry Holt and Company, 383 Madison Ave., New York 17, N.Y.

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*"Trouble is, by the time  
we're able to read a woman  
like a book, our eyes go  
bad."*

—Leisure

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## Underwriters Elect



HARRY W. MILLER

### Harry Miller Heads Fire Underwriters

**H**ARRY W. MILLER of New York, the new president of the National Board of Fire Underwriters, is general U.S. attorney of the Commercial Union-Ocean Group of Insurance companies. Mr. Miller, who joined Commercial Union Assurance Company, Ltd., in 1914 and successively became its secretary, assistant U.S. manager, then U.S. manager, before his 1953 appointment to his present Group position, was vice president of the National Board for two years.

He is a past president of the Eastern Underwriters Association and past chairman of the board of governors of the Factory Insurance Association.

The new chief executive of the National Board is president and director, Stock Company Association; trustee, Underwriters' Laboratories, Inc.; past chairman, governing committee, Reporting Form Service Office, Inc.; vice president and director, National Board of Fire Underwriters Building Corp., and a director of General Adjustment Bureau, Inc., Underwriters Salvage Co. of New York, Underwriters Salvage Co. of Chicago, Western Adjustment and Inspection Co., Sanborn Map Co., and the Insurance Society of New York. He has served as chairman of the National Board's executive committee.

## Triple Play on Credit Operation Today

### Sparks Annual Connecticut Conference

Education, the economy and the practical side of modern-day credit operations shared attentions of speakers and financial executives at the 41st annual Connecticut Credit Conference, at Mill River Country Club, Stratford. Hosts were the Credit Managers Association of Southwestern Connecticut, Clark I. Scott president and the Bridgeport Credit Women's Group, headed by Mrs. Randy C. White.

#### Dean Discusses Education

"Education for What?" was the subject of Dr. Eaton Van Wert Read, opening the forenoon session. Dr. Read, dean of the college of business administration of the University of Bridgeport, is a member of the American Marketing Association and the National Sales Executives.

Edwin B. Moran, NACM vice president, discussed the opportunities of today's credit manager as a work-

ing ally of the sales department in going to the field to develop increased profit-making business for the company.

Albert T. Sommers drew from his store of information as director of the division of business analysis of the National Industrial Conference Board, to present an economist's views of the outlook.

Following an afternoon of golf, horseshoes, cards, movies, and much informal airing of credit case histories, the delegates reconvened at dinner to hear an address by Walter Kiernan, newspaper, radio and television commentator and columnist. Presiding was Henry A. Titus, president of the Connecticut association.

Besides the hosts, associations participating in the conference were these: Hartford, Joseph J. Rydell president; New Haven, Edward C. Crotty; and Waterbury, Richard B. Harding. Mr. Scott was chairman.



**E. F. Gueble (center)**, general credit manager of *The Garrett Corporation*, Los Angeles, is congratulated on his ascendancy to the presidency of the *Credit Managers Association of Southern California, Inc.*, by the outgoing president, **L. H. Stacy (right)**, of the *Grinnell Company of the Pacific*, and **Lee J. Fortner**, executive vice president of the association. Mr. Gueble, long a leader in membership activities, is immediate past Grand Exalted Superzeb of the *Royal Order of Zebras*. (J. D. Sansoni, credit manager of *Avondale Marine Ways, Inc.*, and vice president of the *New Orleans Credit Men's Association*, is the Zebras' 1958-59 chief executive, installed at the Credit Congress in Detroit.)

## Secretary Lozes' Five Decades of Service Lauded



**FRED L. LOZES**, honored for 50 years of service to the New Orleans Credit Association, had started as an office boy when he was 14 years old, and was elected secretary-manager in 1939. He was employed by the late Edward Pilsbury who later became New Orleans association manager. (Mr. Pilsbury, who was NACM president 1936-37, died on the eve of the Credit Congress in Detroit this year).

At the testimonial dinner for Mr. Lozes a program along the lines of "This Is Your Life" was presented. Philip J. Gray, NACM secretary, presented Mr. Lozes with the NACM Certificate of Merit and read congratulatory messages from J. Allen Walker, then NACM president; Henry H. Heimann, executive vice president, and E. B. Moran, vice president. Gifts presented included a \$1,000 Bond, a silver tray and a pen and pencil set.

In the picture (l to r) are G. Albert Knesel, Hibernia National Bank, New Orleans association president; Mrs. and Mr. Lozes and Mr. Gray.

### Specialists Share Dais at Louisville Credit Clinic

Advancement in management echelons, credit and the economy, and workaday problems, as subjects of discussion gave speakers and panelists at the annual Louisville (Ky.) Credit Clinic the base for launching analyses and answers. The clinic, held weekly for four weeks, was jointly sponsored by the Louisville Credit Men's Association and Credit Women's Group and the University of Louisville, where it was held.

T. B. Hendrick, president, Collins-Dietz-Morris Company, Oklahoma City, and 1957-58 southern division vice president NACM, had for his subject "Are You Qualified for the Next Step Ahead in Management?" Roy Foulke, vice president, Dun & Bradstreet, New York, discussed economic problems affecting credit. Archie M. Marks, Cleveland, attorney and legal counsel for the Cleveland Association of Credit Men, spoke on "Bankruptcy," and Louis F. Davis, secretary-manager, Detroit Association of Credit Men, discussed "Ex-

tensions and Liquidations." Moderators of panel discussions were Adolph F. Spear, secretary-treasurer, General Plywood Corporation and D. F. Parrot, president, Avery Building Association.



**ARTHUR R. UPGREN**, Frederick R. Bigelow professor of economics, Macalester College, St. Paul, and former member of the faculty of NACM's Graduate School (Dartmouth College), was speaker at the annual election and past presidents night of the Credit & Financial Management Association (Minneapolis). (L to R) Rubert Lindholm, secretary-manager; S. J. Haider, NACM vice president; Dr. Upgren; M. J. Wied, Minneapolis association president, and J. E. Remington, vice president.

### Kenneth R. Wells, Banker, Dies; Authority on Instalment Credit

Kenneth R. Wells, vice president of the industrial division of American National Bank and Trust Company, Chicago, and an authority on instalment credit, died at his home in Park Ridge, Ill.

Mr. Wells had joined the bank in 1939 after being associated with a credit company and a tire manufacturing concern. He became a bank officer in 1942, assistant vice president 1944 and vice president 1948. He taught credit courses at Northwestern University and the school of banking at the University of Wisconsin.

### Times Calling for Increased Fraud Prevention Aid: Stein

Increased support from all credit grantors in the fight against commercial fraud becomes especially essential in time of recession, Sidney A. Stein, of Stein Factors Corporation, New York, reelected chairman of the Textile Executive Committee of NACM's Fraud Prevention Department, declared at the annual luncheon of the National Fraud Prevention Committee at the Credit Congress in Detroit.

John C. Fredell, director and counsel to the department, reported 14 indictments for commercial fraud and seven convictions in the past year. Thirty investigations are pending and 17 indictments await disposition. Since the department was formed there have been 3,008 indictments and 1,749 convictions.



## Traffic Appliance Group Picks E. W. Claussen as Its Chairman

E. W. Claussen of Remington Rand Electric Shaver Division, Bridgeport, Conn., is the new chairman of NACM's National Traffic Appliance Manufacturers Group. Vice-chairman is Michael A. Stafford, Proctor Electric Company, Philadelphia.



E. W. CLAUSSEN

Committeemen for 1958-59 are D. Paul Del Po, Waterman Pen Company, Inc., Seymour, Conn.; Michael F. Murphy, U. S. Time Corporation, Waterbury, and John J. Roth, Ronson Corporation, Newark.

The Group's charter chairman, Mort S. Krall, of Casco Products Corporation, Bridgeport, continues on the advisory council.

## Zipern Heads Food Group

Bernard C. Zipern of Red L Foods Corporation is the new chairman of the National Frozen Food Processors Credit Group, with S. M. Serafin of Minute Maid Corporation as vice-chairman. Named committeemen are C. L. Kooman, Sunkist Growers; V.

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MANAGEMENT  
229 Fourth Avenue  
New York 3, N.Y.**

L. Munger, of Libby, McNeill & Libby Co., and Paul H. Powers, Seabrook Farms Co. Heading the advisory council is past chairman Walter E. Fuester, Campbell Soup Co.

## Tax Relief Would Stimulate Long-Range Growth: Reiersen

Cautioning against "taking for granted" a quick return to long-term economic growth, Roy L. Reiersen, vice president and chief economist of Bankers Trust Company, New York, said "Government spending should concentrate on the acceleration of existing programs rather than upon the initiation of new programs."

While expressing doubt that a tax reduction for individuals would likely have much immediate effect upon business investment, the economist cited the "strong case" that can be made for a reduction in income taxes as "part of a broad reform program" to provide impetus both for recovery and long-term growth. "The present business decline may persist somewhat longer and prove more troublesome than the early postwar adjustments," Dr. Reiersen declared.

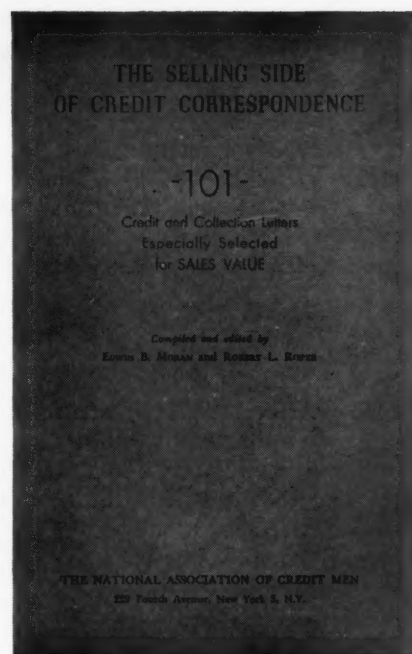
## Hardware, Automotive Export Group Picks Knappe, Thompson

Otto A. Knappe, export manager, American Saw & Manufacturing Company, is the new chairman of the Hardware, Automotive and Allied Trades Group of the Foreign Credit Interchange Bureau, National Association of Credit Management. Thomas F. Thompson, credit manager, International Division, Walworth Co., Inc., was elected vice-chairman.

## Motion Picture Credit Group Names Tanney as Chairman

Joseph A. Tanney, S.O.S. Cinema Supply Corporation, has been elected chairman of the executive committee of the Motion Picture Industry Credit Group of the New York Credit Interchange Bureau.

Kern Moyse of Peerless Film Processors Corporation is the new vice-chairman. Committeemen include Jack Fellers, Du-Art Film Laboratories, Inc.; Walter Lynch, Mecca Film Laboratories, Inc., and Everett Miller, RCA Film Recording Studios.



**H**ERE under one cover are 101 actual examples of credit executives' letters which not only augment sales and speed up collections but also develop customer satisfaction by constructive use of credit.

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National Association of Credit Management  
229 Fourth Ave. New York 3, N.Y.**



## CALENDAR OF EVENTS IMPORTANT TO CREDIT

### HANOVER, NEW HAMPSHIRE

August 3-16

Dartmouth College Session of the NACM Graduate School of Credit and Financial Management

### WINNIPEG, MANITOBA

September 12-13

North Central Credit Conference including Minnesota, North Dakota, Winnipeg. Host: Manitoba Division of The Canadian Credit Men's Trust Association, Ltd.

### NEW ORLEANS, LOUISIANA

September 17-19

Advertising Media Credit Executives Association

### CEDAR RAPIDS, IOWA

September 17-19

Tri-State Credit Conference, including South Dakota, Nebraska and Iowa

### NEW YORK, NEW YORK

September 18-19

NACM Credit Management Workshop

## The Personnel Mart

### Situation Wanted

ACCOUNTANT—Credit and Office  
MANAGER—Nine (9) years  
EXPERIENCE — Manufacturer — General accounting, tax accounting and credit. Supervisor of all accounting functions  
WILL RELOCATE. Resumé on request.  
CFM Box #459.

### Position Available

SECRETARY-MANAGER— local association which is a member of the Connecticut Association of Credit Men needs an experienced man for a newly created position of SECRETARY-MANAGER. Excellent potential for right person. Starting salary range—\$5,000 to \$6,000. Please send complete resumé of education and experience. CFM Box #460.

### MILWAUKEE, WISCONSIN

September 18-19

Great Lakes Regional Credit Conference, including Illinois, Indiana, Michigan and Wisconsin

### SAN FRANCISCO, CALIFORNIA

October 9-10

Pacific Southwest Credit Conference, including California, Arizona, Utah, Colorado, Nevada

### EL PASO, TEXAS

October 10-12

Annual Southwest Credit Conference, including Oklahoma, Texas, Arizona, Arkansas, Louisiana and New Mexico

### ATLANTA, GEORGIA

October 12-15

34th Annual Conference of American Petroleum Credit Association

### ST. JOSEPH, MISSOURI

October 16-18

Quad-State Credit Conference, including Kansas, Missouri, Southern and Western Illinois

### ATLANTIC CITY, NEW JERSEY

October 16-18

NACM Tri-State Conference, including New York, New Jersey and Eastern Pennsylvania  
Host: New York Credit & Financial Management Association

### BIRMINGHAM, ALABAMA

October 16-18

Annual Southeastern Credit Conference, covering Tennessee, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Louisiana

### WORCESTER, MASSACHUSETTS

October 22-23

New England District Credit Conference, covering Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont

### DAYTON, OHIO

October 23-24

Ohio Valley Regional Credit Conference, covering Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan

### MINNEAPOLIS, MINNESOTA

October 24-26

Annual Midwest Credit Women's Conference

### WHITE SULPHUR SPRINGS, W. VA.

November 9-12

Annual Fall Conference — Robert Morris Associates

### TACOMA, WASHINGTON

March 19-20, 1959

Pacific Northwest Annual Credit Conference, including Idaho, Oregon, Washington, and British Columbia

### DALLAS, TEXAS

May 3-7, 1959

63rd Annual Credit Congress

## Creviston Named Chairman of NACM's Secretarial Council

Ralph C. Creviston, secretary-manager, National Association of Credit Management, Northern Wisconsin-Michigan Unit, Green Bay, Wis., is the new chairman of the NACM Secretarial Council, elected at the secretary-managers meeting at Detroit.



R. C. CREVISTON

Divisional vice chairmen for 1958-59 are the following:

EASTERN DIVISION, Newton D. Bartle, secretary, Syracuse Association of Credit Men; CENTRAL, J. F. Schofield, executive vice president and secretary-treasurer, St. Louis Association of Credit Men; SOUTHERN, J. L. Vance, general manager and secretary, Tri-State Credit Association El Paso; WESTERN, Frank Hill, secretary-manager, Wholesale Credit Association of Arizona, Phoenix.

The 1957-58 Council, with Lawrence Holzman of San Diego as chairman, had these divisional vice-chairmen: Eastern, Henry Farrell, Providence; Central, Ralph Johns, Indianapolis; Southern, G. Royal Neese, Chattanooga; Western, Earl Porter, Seattle.



J. P. HARRELSON



J. J. KABERNA

## Executives in the News



W. G. QUEST



EDWARD HEINE



W. O. BOULDIN, JR.



GENE ZAISS

### **Indiana Industrial Machinery Executive Heads Association**

J. P. Harrelson, credit and office manager of Brandeis Machinery & Supply Company, Evansville, Ind., for approximately the last 11 years, served as director, treasurer and vice president of NACM Tri State Area, Evansville, prior to his recent election as president. A native of southern Illinois, Mr. Harrelson attended Southern Illinois University, at Carbondale, and is a graduate of LaSalle Extension University in higher accounting.

### **Kansas City's Credit Leader Heads Indian Guide Program**

Recently named president of the Kansas City (Mo.) Wholesale Credit Association, Gene Zaiss has been office manager and branch credit representative of Chase Brass & Copper Company's sales office and warehouse for more than ten years. Mr. Zaiss participates actively in pro-

grams for youth, community and professional advancement. He is a member of the board of managers, YMCA, "chief" for the YMCA-sponsored Indian Guide program in the area, as well as West Central area representative for the program.

### **Promotion of Trade Groups Specialty of Ex-Rancher**

Ex-Montana rancher, Wallace G. Quest finds "being president of the Omaha Association of Credit Men a thrilling experience." The office and credit manager of Electric Fixture & Supply Company, Omaha, is a hard worker for company and association. He has organized two trade group committees, was first president of OACM Toastmasters Club, and served as first president of the "Gophorbrook Associates" Investment Club. Before going with Electric Fixture & Supply 13 years ago, Mr. Quest was in appliance sales, General Electric Supply Corp.

### **Counter-Espionage Service Engaged Apparel Executive**

In World War II, Edward Heine, president of the Cincinnati Association of Credit Men, served with Military Intelligence, U.S. Army; in the Korean period he was military counter-espionage operation officer. In "business-as-usual" times Mr. Heine, who is assistant to the president, The H. A. Seinsheimer Company ("Varsity-Town Clothes"), Cincinnati, has been consultant to the Small Business Administration. He has served as chairman of the Cincinnati association Textile Group 1947, and at the Credit Congress, Cincinnati, in 1956 he was general chairman, Industry Meetings committee, as well as chairman, Wearing Apparel and Footwear Group Industry meeting.

### **Chicago Banker Rose from Clerk to Vice President**

Devotion to organization and profession distinguishes the career of native Chicagoan Joseph J. Kaberna, vice president since 1954 of The First National Bank of Chicago and newly elected president of The Chicago Association of Credit Men. Mr. Kaberna began his career with the bank as clerk, stepping up from four years in the credit department to supervision of the traveling auditors' department. He was named assistant cashier in 1941, served as loan officer in the grain and food divisions before becoming assistant vice president in 1952. He heads the bank's credit and investment research division.

Mr. Kaberna is a member of the faculty, University of Wisconsin school of banking, and president Chicago Chapter, Robert Morris Associates.

### **West Virginia Executive Was Aviation Medic in War**

Born in St. Louis, Mo., in 1920, William O. Bouldin, Jr., new president of the Charleston Association of Credit Men, took root in West Virginia following management and accounting studies at Morris-Harvey College, Charleston (B.S. cum laude 1951). Pre-med studies at Hampden-Sydney College and a "hitch" as pharmacist's mate in naval aviation from 1942-45, and diversified jobs preceded his joining Thomas-Field & Company, Charleston wholesalers, in 1940. He advanced progressively from claims, bookkeeping and office manager duties to his present post of assistant credit manager and personnel manager.

Mr. Bouldin is an ordained deacon of his church and Sunday School teacher of teenagers, though all four Bouldin girls are yet subteens.



# Reports from the Field

KANSAS CITY, MO.—A joint meeting of the Missouri Valley Chapter, Robert Morris Associates, and Kansas City Wholesale Credit Association, heard Dr. Alfred P. Haake, consultant to General Motors Corporation. His talk was titled "Foundations for Prosperity."

ST. PAUL, MINN.—Carl T. Bremicker, vice president, Northern States Power Co., speaker at the meeting of the St. Paul Association of Credit Men, outlined the functions of the newly organized Minnesota Development Corp., of which he is executive vice president.

MEMPHIS, TENN.—Mrs. Mary D. Cain, editor and manager, *Summit (Miss.) Sun*, and first woman to run for governor of Mississippi, was speaker at the dinner meeting of the NACM Mid-South Unit, Inc.

CANTON, OHIO—Financing of inventory through the use of warehouse receipts was the topic of A. T. Bear, assistant vice president, Lawrence Warehouse Co., Cleveland, at the dinner meeting of the Canton Association of Credit Men.

ALBANY, N.Y.—"The Credit Executive in the Management Team" was the subject discussed by Sterling W. Mudge, retired sales management and training executive of Socony Mobil Oil Co., at the regular dinner meeting of the Eastern New York Association of Credit Executives.

At the following meeting a panel discussion on the development of financial information for credit purposes had as moderator, Stanley A. Frederick, CPA, Ball, George & Co., and these participants: Willard S. Gates, American Oil Co.; Ray J. Hannon, CPA, Franke, Hannon & Withy; Morton J. Glickman, CPA; William I. Schwartz, CPA, Shaye, Lutz, Schwartz, King; and Gustav Koschorreck, manager, Dun & Bradstreet, Albany district.

LOS ANGELES, CALIF.—"Inventory Liens" and "Personal Qualities of a Manager" were the topics, respectively, of H. F. Laugharn, former trustee and receiver in bankruptcy, and C. Lloyd Thorpe, employee relations manager, Guy F. Atkinson Co., San Francisco, at meetings of the Los Angeles Chapter, National Institute of Credit.

ATLANTA, GA.—Jack Tarver, president, Atlanta Newspapers, Inc., in a talk before the Georgia Association of Credit Men, pointed out the newspaper's role in printing the news without favor or bias.

DAYTON, OHIO—Julian A. Hawk, tax specialist and certified public accountant, of Arnold, Hawk & Cuthbertson, discussed tax savings opportunities at the dinner meeting of the Dayton Association of Credit Men. Mr. Hawk authored the two-part article, "Effect of Taxes on Business Planning," which appeared in February and March '52 issues of CREDIT AND FINANCIAL MANAGEMENT.

DETROIT, MICH.—"Whither Business and Profits" was topic of Bernard F. Landuyt, chairman, University of Detroit department of economics and business administration, at the past presidents' meeting of the Detroit Association of Credit Men.

ELMIRA, N.Y.—Films on "Glass and You" and "Pyroceram" were presented by Corning Glass Works at the meeting of the New York-Pennsylvania Credit Men's Association. Installed were: president, Fred Purdue, Chemung Canal Trust Co.; vice

president, William Cassidy, Corning Glass Works; treasurer, George Snell, Marine Midland Trust Co.; secretary, Miss Catherine E. Fogarty, Brady Supply Corp.; and directors Calvin Drake, Glen National Bank, Watkins Glen, and Ellsworth Gore, Lincoln-Rochester Bank, Corning. Robert Schmarder, Corning Fibre Box, is councillor.

BRIDGEPORT, CONN.—"Financing Industrial Development" was the subject of Robert P. Lee, chairman, Connecticut Development Commission and area development manager, Connecticut Light & Power Co., at the meeting of the Bridgeport Association of Credit Men.

## Credit Women's Activities

CINCINNATI, OHIO—Dr. Cleo Dawson, psychologist, speaker at the dinner meeting of the Women's Group of the Cincinnati Association of Credit Men, chose the absorbing subject "What Women Should Know about Men."

Al W. Highsmith, General Electric Company, public relations department, at another meeting of the Group, titled his talk "Ten Thousand Dollars a Minute."

BOSTON, MASS.—"A New Look at Financial Statements" was the topic of Dr. Rae D. Anderson, vice president and dean of faculty, Bentley School of Accounting & Finance, at the meeting of the Credit Women's Group of the Boston Credit Men's Association.

BINGHAMTON, N.Y.—"Compensation and Liability Insurance" was the subject of Robert Renfro, manager special risk department, Kemper Insurance Co., Syracuse at the meeting of the Triple Cities Credit Women's Club.

"Credit Decisions and How They Are Made" was the theme of a forum discussion which had as moderator Frank Knapp, assistant treasurer, Endicott Johnson Corp., and these panelists: Alfred Mosher, vice president, First City National Bank; Douglas Florence, vice president and secretary, Florence Electric Supply Co.; Trevor Davies, manager Dun & Bradstreet, Inc., Binghamton; and Gerald Wood, district credit manager, Ansco Division.

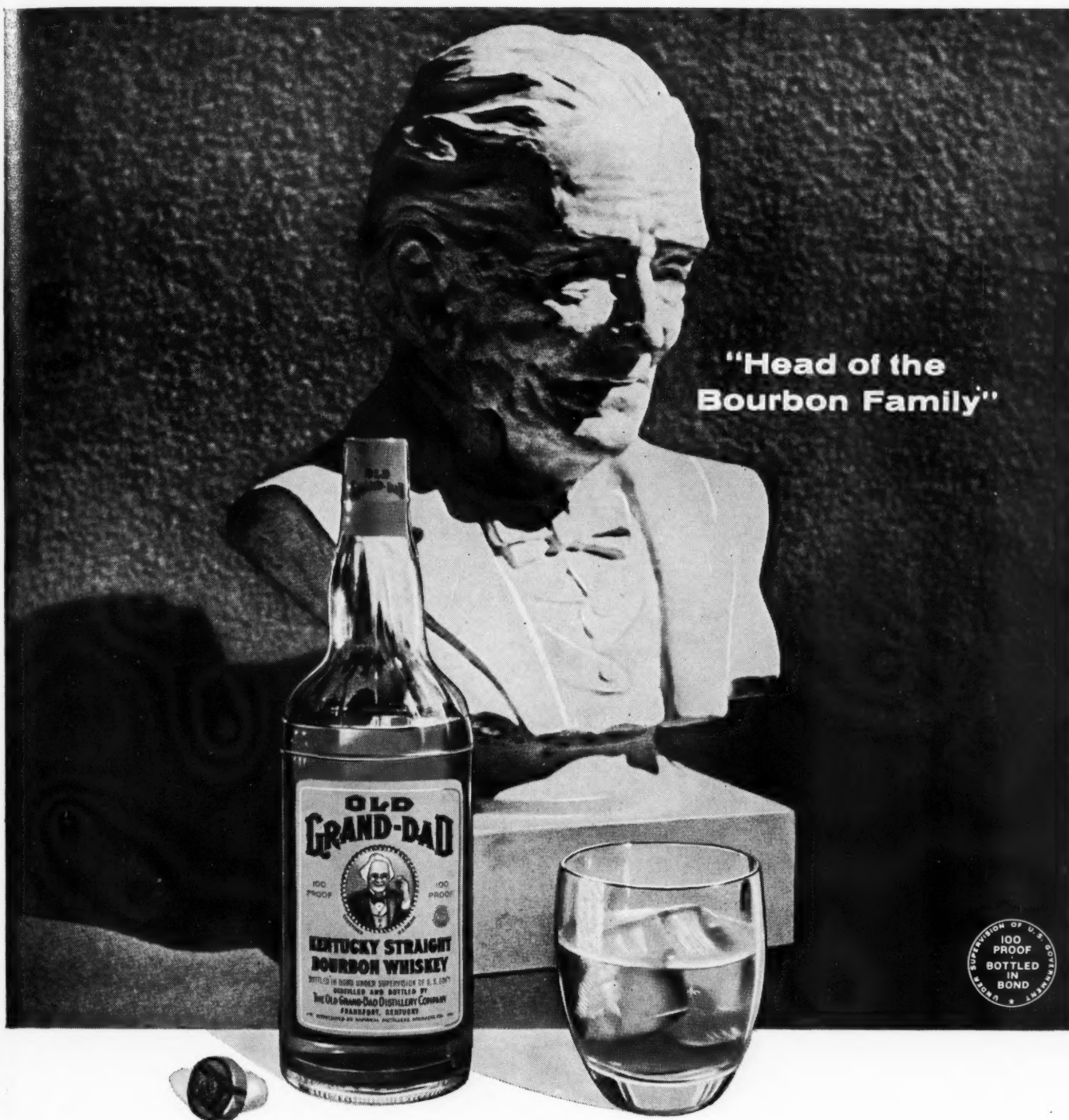
PITTSBURGH, PA.—Dr. Dora F. Capwell, director, Psychological Service of Pittsburgh, discussed "Attitudes and Aptitudes" at the meeting of the Pittsburgh Credit Women's Group of The Credit Association of Western Pennsylvania.

GRAND RAPIDS, MICH.—Dr. Mary Virginia Moore, assistant professor, department of business education and secretarial studies, Michigan State University, conducted a four-session series in "Human Relations" sponsored by the Grand Rapids Credit Women's Club.

NEWARK, N.J.—Miss Katheryn M. Sheehan, credit manager, The Thomas & Betts Co., Elizabeth, has been named president of the New Jersey Credit Women's Group.

PORTLAND, ORE.—Panel discussion of credit problems featured the Bosses' Night meeting of the Credit Women's Group of the Portland Association of Credit Men. Mrs. Georgia R. Noble, of Blake, Moffitt & Towne, vice chairman, National Credit Women's Executive Committee, was moderator for the panel.





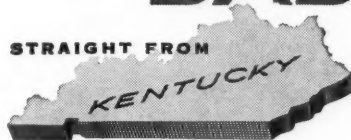
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